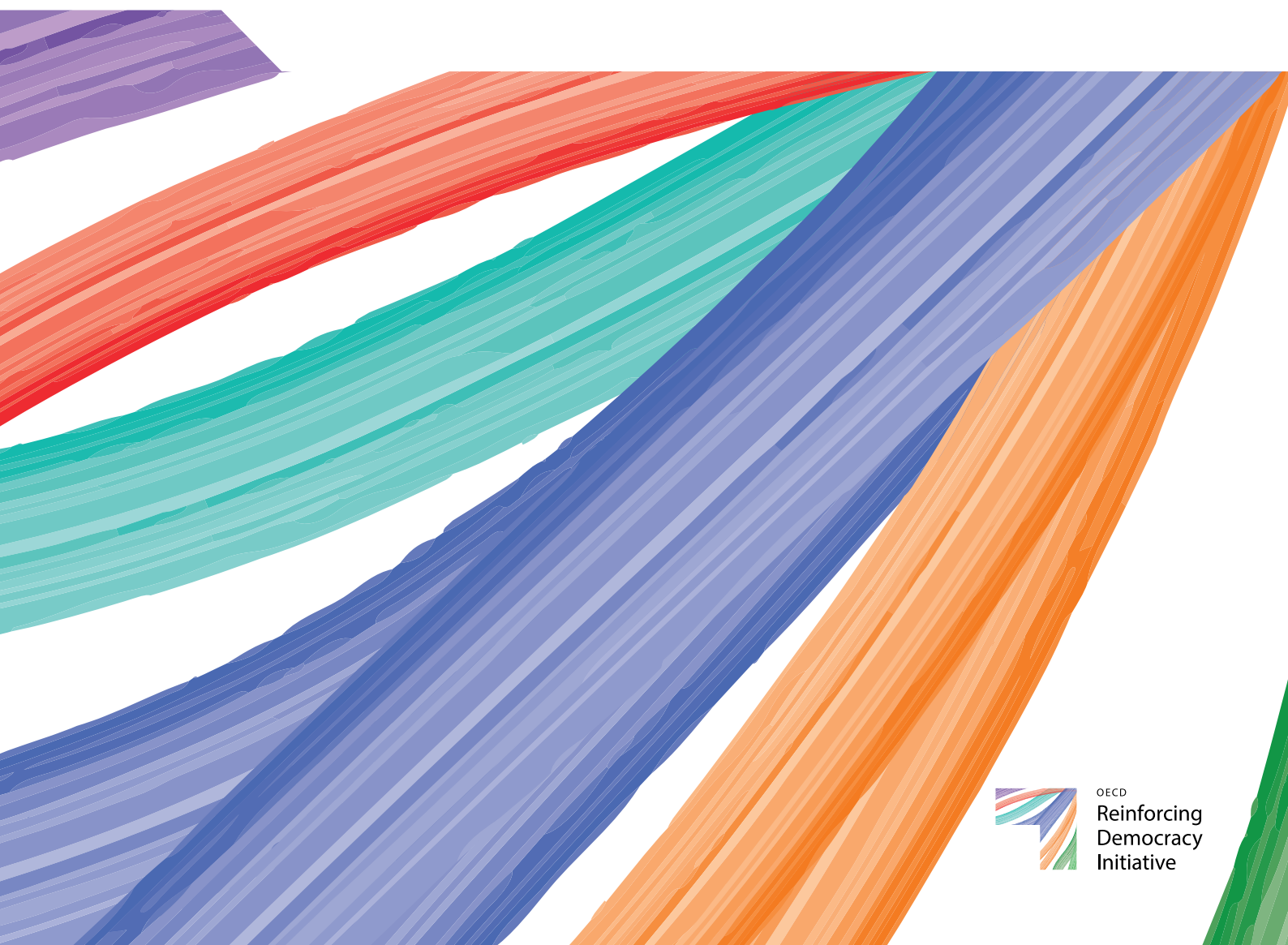


OECD Public Governance Reviews

Building Trust and Reinforcing Democracy

PREPARING THE GROUND FOR GOVERNMENT ACTION



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Foreword

Building Trust and Reinforcing Democracy: Preparing the Ground for Government Action sets out the core analysis behind the Reinforcing Democracy Initiative of the OECD Public Governance Committee. The Initiative builds on the 2021 and 2022 OECD Ministerial Council Statements and OECD Members' vision for the Organisation for the next decade. It has the dual goal of reinforcing democratic governance in established democracies and protecting it from existing and emerging threats, highlighting that democratic governance has proven to be the best institutional system for the protection and promotion of individual rights and freedoms and for allowing long-term sustainable gains in well-being.

Recognising key trends such as low levels of trust, greater polarisation and larger groups dissociating themselves from traditional democratic processes in their countries, the OECD Public Governance Committee launched the Initiative in the spring of 2021. The Committee collectively identified three common governance challenges for advanced and mature democracies: i) combating mis- and disinformation, ii) enhancing representation, participation and openness in public life and iii) strengthening open democracies in a globalised world: embracing the global responsibilities of governments and building resilience to foreign influence. In addition, the Initiative incorporates two horizontal themes that span all three pillars: 1) “governing green”, or the capacity to respond to climate and other environmental challenges and 2) transforming public governance for digital democracy. This publication brings together the background papers developed on each these five themes. Along with the report *Building Trust to Reinforce Democracy: Key Findings from the 2021 OECD Survey on Drivers of Trust in Public Institutions*, they underpin the discussions at the OECD Public Governance Global Forum and Ministerial meeting on *Building Trust and Reinforcing Democracy* in Luxembourg on 17-18 November 2022 and prepare the ground for future action by governments.

The background papers that make up this publication were approved and declassified by the Public Governance Committee on 14 October 2022 and prepared for publication by the Secretariat. Action Plans were developed by the Committee on three of the five themes. Further information can be found at www.oecd.org/governance/reinforcing-democracy/.

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The chapters of the draft report were sent to and greatly benefitted from guidance and comments by Delegates to the OECD Public Governance Committee (PGC), Regulatory Policy Committee (RPC) and Committee of Senior Budget Officials (CSBO), and Members of the Expert Group on Mis- and Disinformation, the Working Party of Senior Public Integrity Officials, and the Expert Group on Public Communication. The OECD Directorate of Science, Technology and Innovation, Environment Directorate, Centre for Entrepreneurship, SMEs, Regions and Cities also provided useful comments across chapters.

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Executive summary

Democratic governance has proven to be the best institutional system for protecting and promoting individual rights and freedoms while allowing long-term sustainable gains in well-being. Yet, low voter turnout, greater political polarisation and larger groups of citizens dissociating themselves from traditional democratic processes represent challenges for policy makers in many OECD countries today. Even in the most well-established democracies, these trends are testing institutions and hindering governments' ability to address pressing social and economic challenges. At the same time, major global disruptions, such as the COVID-19 pandemic, the Russian aggression against Ukraine, and climate change, have underscored the importance of strengthening the governance of democracies – and citizens' trust in them.

The inaugural [OECD Survey on the Drivers of Trust in Public Institutions in OECD countries](#) has provided insights into how citizens perceive the quality of, and how they associate with, government institutions in democratic countries where citizens are free to report low levels of trust. Overall, democratic public institutions in many OECD countries perform relatively well on several measures of citizens' trust, such as government reliability and public service provision. Yet, public confidence is evenly split between those who trust their national government and those who do not. Many citizens perceive governments as falling short on responsiveness to their needs, representation and participation. There is also widespread scepticism surrounding the integrity of policy makers. Suspicion towards the news media suggests that a key component of democracy – access to information – is also today a factor of distrust.

These results suggest that, to meet citizens' evolving expectations, governments must do better, both in giving all people a voice and in responding to those voices. They must also improve integrity and fight undue influence, credibly address long-term challenges such as climate change, evaluate and communicate the effects of reforms on different socioeconomic groups, and develop better governance models for information ecosystems.

Building on the results of the survey and further analytical work, the OECD Reinforcing Democracy Initiative addresses three common governance challenges found in advanced and mature democracies i) combating mis- and disinformation, ii) ensuring representation, participation and openness in public life and iii) embracing global responsibilities and building resilience to foreign influence. It also covers two cross-cutting themes, “governing green”, or the capacity to respond to climate and other environmental challenges; and transforming public governance for digital democracy.

Tackling mis- and disinformation

The fast and massive spread of mis- and disinformation poses a fundamental threat to the free and fact-based exchange of information underpinning democracy and trust in public institutions. They polarise public debate, undermine the public's willingness to engage in democratic life, and hamper consensus building in society. While mis- and disinformation are not new, digitalisation, in particular, has fundamentally changed how information is shared and understood. The existing checks and balances that helped limit the spread of mis and dis information in the past are no longer effective enough.

New governance models with a whole of society approach to build the resilience of democracies to mis- and dis-information are needed. Governments must work with traditional and social media organisations, academics and civil society to reshape information ecosystems, ensuring both freedom of speech and information integrity. Some governments have moved in that direction, highlighting the scale of the threat and the need for an internationally co-ordinated and whole-of-society approach.

A resilient information ecosystem includes a role for civil society and traditional news media in pre- and de-bunking misinformation; a better, more citizen-centred government communications function; and long-term efforts to improve media and information literacy. Governments can encourage access to and sharing of data, and consider ways – ranging from guidance to regulation – to make online platforms more transparent in terms of content moderation, algorithm parameters, and sponsorship. Finally, the integrity of information requires addressing the economic and structural drivers of mis- and disinformation, such as anti-competitive conduct, and encouraging diversity, editorial independence, and high-quality news provision in the media.

Representation, participation, openness, and citizen-focused services

Giving citizens a greater voice has become a priority in many settings. To promote more inclusive citizens' participation, many countries are adopting and institutionalising new deliberative processes (e.g. civic lotteries, citizens' assemblies and juries) in policy making as well as inclusive participation mechanisms to improve service design and performance.

There is also increasing recognition of the need to strengthen democratic representation of historically underrepresented groups (e.g. youth, women and minorities) in elected bodies, and to ensure that the civil service itself is diverse, representative and responsive. Collecting more disaggregated data and identifying barriers to inclusion can help enhance representation.

At the same time, preventing undue influence and striving for greater integrity in public-decision making must be a top priority. This includes implementing basic standards around integrity, conflict of interest and lobbying, and upgrading frameworks to safeguard the public interest in the increasingly complex landscape of lobbying and influential actors and practices.

Finally, to ensure democratically stable outcomes, electoral processes must uphold the highest levels of integrity and transparency, including in political finance, and be able to withstand new challenges raised by digital technologies and foreign influence in elections.

Global responsibilities and resilience to undue foreign influence

Democracies have long been at the forefront of international co-operation. Nevertheless, a growing number of global challenges, such as those related to climate change and global supply chains, have underscored the need to do more. Bringing citizens on board is crucial, and starts with setting out a long-term strategic vision with a clear roadmap, and involving them in the policy cycle on global matters. Institutional capability to address global challenges and exert international influence must also be nurtured beyond foreign affairs ministries, including by investing in the public workforce. Countries are harnessing both classic governance tools such as budgeting, procurement and regulation, and new tools such as mission-oriented innovation, to promote strategic global objectives.

One of today's most complex challenges is protecting open societies from foreign non-democratic influence through disinformation, political finance, social media, various intermediaries and opaque corporate, academic or NGO structures. Governments should fortify their public institutions against such influences, by training public officials; assigning responsibilities for identifying, responding to, and building resilience against foreign interference; and closing regulatory loopholes on lobbying and undue influence, beneficial ownership and political finance.

Governing green

The future of democratic governance and of environmental action are intertwined. Democratic governments are expected to show that they are the best placed to handle complex, interconnected and long-term policy problems, and to manage the difficult trade-offs required in the best interest of all. At the same time, the success of climate and environmental policies will depend on effective and efficient public governance. Setting the overall direction and long-term priorities, ensuring coherence of - and trust in - those decisions, and establishing co-ordinated approaches across sectors, levels and branches of government are difficult tasks facing governments across the board.

A genuine transformation of governance is required to successfully respond to environmental pressures, particularly the existential climate threat. While addressing environmental challenges requires efforts from the whole of society, some critical tasks can only be carried out or led by governments. These include ensuring stakeholder participation, citizen dialogue, and integrity and transparency to secure trust and buy-in for green policies. Governments are ramping up public governance tools such as regulation, public procurement, budgeting, and infrastructure planning and decisions to achieve environmental goals. Some countries are applying more novel approaches such as anticipatory governance and behavioural insights to design, implement and promote green policies. Greater efforts are needed in all these areas, as well as in leading by example in “greening” the public sector and accounting for results in government operations.

Digital democracy

The rapid digitalisation of societies, economies and governments is challenging the traditional democratic institutions. Digital innovations have expanded civic space, promoted the rights of minorities and vulnerable groups, and made citizen participation and oversight easier. But they have also introduced new threats to human rights, fundamental freedoms, minorities and vulnerable groups; increased opportunities for undue influence in policy making (national or foreign); and destabilised information ecosystems and democratic intermediation, further exacerbating the polarisation of societies.

Developed for the analogue world, the institutions of OECD countries are adjusting and adapting to the digital age. Governments are increasingly taking steps to ensure that the same human rights and democratic principles that people have offline are protected online, via regulations, declarations, charters or international standards. Digital tools are increasingly used to increase participation in public life (e.g., e-voting, consultation platforms, open source digital democracy tools) and government openness and accountability (e.g., open data, live streaming of parliamentary debate, opening up of fiscal, budget, procurement and justice data). In recent years, civic organisations and oversight agencies have teamed up with civitech and govtech start-ups to mine a wealth of data to uncover trends and raise red flags. New public institutions are also emerging to address the risks of both the public sector and the wider digital economy, including new types of regulatory bodies to tackle digital issues holistically.

The OECD has developed action plans on three of these areas to help member countries and others strengthen their governance systems, bolster trust and ensure the resilience of their democracies. Further Action Plans will follow.

1 Mis- and disinformation: What governments can do to reinforce democracy

The spread of mis- and disinformation poses a fundamental threat to the free and fact-based exchange of information that underpins democracy. This chapter discusses how governments can respond to mis- and disinformation through a whole-of-government and whole-of-society approach. This includes preparing for and responding to the publication and spread of mis- and disinformation; preventing the publication and spread of mis- and disinformation through increasing transparency; and reducing the economic and structural drivers of mis- and disinformation.

1.1. Introduction

The spread of mis- and disinformation poses a fundamental threat to the free and fact-based exchange of information that underpins democracy. The most evident way in which misleading and false information distorts democratic engagement is by convincing people to believe things that are not true, which can be especially harmful if focused on demonising political opponents, distorting policy debates or undermining democratic institutions. By making it more difficult to access timely, relevant and accurate information and data, the amplification of mis- and disinformation content can undermine the public's willingness and ability to engage constructively in democratic life, and down the line the ability of society to forge consensus. Furthermore, by blurring the line between authentic political speech and purposefully deceptive content, disinformation can also fuel polarisation, spread confusion and prop up and support authoritarian leaders.

As such, the spread of mis- and disinformation can weaken countries' abilities to protect their national interests and preserve national security and democracy. The COVID-19 pandemic, the 6 January 2021 attack on the US Capitol and the large-scale Russian aggression against Ukraine have all underscored the threats posed by the spread of false and misleading information and the dangers caused by widespread erosion of trust in institutions and information.

76% of respondents to the Edelman Trust Survey in 27 countries indicated that they worry about false information or fake news being used as weapon. In addition, 67% of respondents were worried that journalists and reporters are purposely trying to mislead people by saying things they know are incorrect or exaggerated, and 66% say the same about government and political leaders (Edelman, 2022^[1]). This lack of institutional trust severely limits the scope for constructive democratic engagement.

Such concerns are at an all-time high and flag the urgency and importance of ensuring governments have the capacity to respond and create systems that can counteract the threats posed by the spread of mis- and disinformation. More widely, reinforcing democracy also requires strengthening media and information ecosystems – understood as the space where citizens, journalists and institutions (governmental, civic and private) create, spread and engage with information, governance frameworks and each other – to build trust and facilitate engagement since information quality is the most powerful trust builder across democratic institutions (Edelman, 2022^[1]).

Mis- and disinformation are not new phenomena and will continue to exist in all societies, regardless of the strength of the democracy or of the media institutions within them. Previously, however, technological limitations to how information was spread and a combination of limited government regulation and checks and balances offered by the press and news media institutions and their governance helped limit its spread. This helped create democracies with media and information ecosystems that, while less dynamic and diverse than today's, were relatively stable and able to prevent a certain degree of polarisation and susceptibility to disinformation spread by foreign or domestic actors.

The emergence of online communication spaces and social media platforms that allow for virtually anyone to instantaneously be a source of information (or misinformation) and to amplify such content globally has been a systemic and fundamental shift. The Internet has changed and facilitated the ability for content to be created and shared in ways that are only beginning to be understood (Leshner, Pawelec and Desai, 2022^[2]; OECD, forthcoming^[3]).

These technological changes have allowed for the growth in the diversity of sources and the opportunities to access global information, offering an essential counterweight to proscribed, anticompetitive or otherwise restricted media (particularly notable in the context of Russia's aggression in Ukraine). Digital technologies have enabled more participatory, innovative and agile ways for institutions (government, media, other private sector and civil society) to communicate with citizens and for citizens to communicate with each other. Recent OECD analysis suggests how governments can also use social media platforms more effectively to promote interactive communication in ways that help counteract mis- and disinformation (OECD, 2021^[4]).

Nevertheless, these same technologies are used by malign actors to threaten basic elements of democratic life. Both online and offline engagement can be shaped by information flows on social media platforms targeted by domestic and foreign actors to undermine the functioning of democracies. Indeed, the impact of social media goes beyond its use as a direct source of information, given that feedback loops between the platforms and traditional media can also serve to amplify mis- and disinformation. These threats can reduce trust and risk shrinking the space for democratic engagement and weaken the strength of free speech. Disinformation, in particular, can be used to deliberately alter understanding of public figures' integrity and competency, as well as to confuse and discourage the public in ways that reduce willingness to engage in debate or seek political office. Such campaigns affect segments of the population in different ways. For example, women in politics are disproportionately targeted by gendered disinformation campaigns, a pattern that is even more pronounced for female political leaders from racial, ethnic, religious, or other minority groups (Meco and Wilfore, 2021^[5]). Understanding the nature and impact of mis- and disinformation, including the intersection of narratives targeting specific segments of the population, will be an important consideration moving forward.

Efforts to curb mis- and disinformation must also be considered hand in hand with the full preservation of free speech. Laws that define mis- and disinformation broadly can be used to restrict legitimate speech. Governments may also require or exert pressure on platforms to restrict otherwise legal content, forcing or coercing private owners of *de facto* public engagement spaces to be more restrictive than laws may require. Ultimately, maintaining freedom of expression will mean that false and misleading content will always exist; the aim is to mitigate the harm to democratic engagement that such content can cause and to reinforce information spaces that are conducive to democratic engagement.

As a result, a new governance model is needed by which governments, together with traditional media organisations, social media, academics and civil society organisations, jointly help redesign the shape of information ecosystems. Some governments have moved in that direction and have flagged the scale of the threat and need for an internationally co-ordinated and whole-of-society approach. Lithuania's constructive relationships with independent fact-checkers, Finland's engagement with civil society to support media literacy efforts and the European Union's efforts to develop a co-regulatory instrument via its Code of Practice on Disinformation are a few of the many, and increasing, examples of such a necessarily collaborative approach.

This chapter is focused on governance responses and provides an overview of the measures that governments are taking or could take on their own or in partnership with media and civil society organisations (as such, it does not explore self-regulatory measures taken by the private sector). It suggests a comprehensive strategy to prevent and combat mis- and disinformation and promote a governance of information ecosystems that strengthens democracies. With the Internet facilitating largely borderless information sharing, like-minded countries must work together and with a wide range of non-government partners to tackle challenges posed by mis- and disinformation.

1.2. Identifying government responses to mis- and disinformation

“Misinformation” can be defined as false or inaccurate information that is shared unknowingly and is not disseminated with the intention of deceiving the public, whereas “disinformation” is usually defined as false, inaccurate, or misleading information deliberately created, presented and disseminated (Wardle and Derakshan, 2017^[6]; Leshner, Pawelec and Desai, 2022^[2]). Misinformation is sometimes used as a catchall term for many similar but ultimately different practices, for example disinformation, information influence operation, and foreign interference in the information space,¹ each of which may require a different approach. Mis- and disinformation are furthermore not to be confused with the dissemination of terrorist, violent or illegal content online, which often require a set of specific measures not covered below.²

The measures discussed here represent the array of actions that Governments need to consider, to a greater or lesser extent and depending on their local context. Focusing on a single threat, such as foreign influence or the use of bot farms, or on a single response, would only render a government vulnerable to other sources of mis- and disinformation, and not address the full problem. In this sense, governments should consider a comprehensive strategy that considers a wide range of measures; deploys them together with a continuous effort to assess, address, and avoid the threats and harm caused by mis- and disinformation; and evaluates initiatives in light of potential impacts on freedom of speech and expression.

While all measures presented can play an important role, the geopolitical and social context of each country requires a tailored analysis of which areas need more attention, as well as where to best allocate resources. In addition, individual countries have differing legal systems, precedents and approaches to the protection of freedom of speech that will inform their approaches. Thus, while there are common objectives and lessons regarding the key measures needed to tackle the threats, responses must also take into account the specific country context. By acknowledging the context-dependent nature of the threats and responses, governments will be better able to prepare a customised strategy informed by common principles and lessons.

That said, there are a number of common principles to guide governance responses. Promoting freedom of speech and reinforcing the space for democratic debate and engagement are at the root of this work. To that end, regulatory responses discussed in this chapter do not explore content-specific regulations, which risk impeding information distribution and restrict freedom of speech and expression. Facilitating the independence of actors – in civil society, the media, as well as regulators – will help encourage checks and balances. As noted by the OECD, a regulatory agency's independence from the government and from those it regulates is a useful element in providing confidence that decisions are fair and impartial, which may be particularly important where decisions can have significant financial and market consequences (OECD, 2012^[7]).

Furthermore, social media platforms are inherently international, and there is much to be gained from a cross-border, comparative and analytical approach. Indeed, the spread of mis- and disinformation cannot be considered outside of the wider context of global challenges facing democracy and institutional trust. Understanding the extent to which the spread of mis- and disinformation is driven by groups and individuals that feel disenfranchised and alienated from democratic processes will need to be considered as part of the overall governance and societal response to the spread of false and misleading content.

Current and proposed measures to prevent and combat mis- and disinformation can be grouped under:

1. Governance policies and initiatives that help prepare for and respond to the publication and spread of mis- and disinformation.
2. Regulatory and policy measures to increase transparency and prevention.
3. Policy and regulatory responses that reduce economic and structural drivers of mis- and disinformation.

1.2.1. Preparing for and responding to the publication and spread of mis- and disinformation

Recent events have highlighted the need to develop capacity to respond to the spread of false and misleading information, while simultaneously building more resilient societies better prepared to handle crises. A range of communication and domestic and international engagement efforts can help governments respond to mis- and disinformation content directly, and building a more effective public communication function and promoting media literacy can support more resilient information ecosystems. These initiatives are largely non-regulatory responses, many of which OECD Members have started to put in place.

A common thread through many of these responses is the critical and mutually reinforcing role played alongside government by the media, civil society organisations, and the private sector. Information does not spread in a vacuum – traditional media and fact-checkers, technology companies, civil society, and citizens themselves are essential to generate and amplify trustworthy content. Such interventions include:

Collaborating with media, civil society organisations, fact-checkers, and social media platforms

Measures to address mis- and disinformation must be pursued in the context of promoting the fundamental importance of ensuring freedom of expression, preserving the role of objective, independent and fact-based journalism, and securing the space for civil society organisations and innovative, non-traditional, local or community media to grow and help enable information ecosystems to thrive, free from undue government interference. More narrowly regarding specific responses, governments must also engage with media and civil society organisations to legitimately and transparently address urgent threats posed by mis- and disinformation. The lack of clarity on problems and solutions, combined with the complex, global and rapidly evolving nature of the challenges faced, calls for a more conscious effort to facilitate collaboration between various actors (OECD, forthcoming_[8]). As noted by the European Commission, “the best responses are likely to be those driven by multi-stakeholder collaborations” (European Commission, 2018_[9]).

There are numerous private organisations, fact-checkers, media and NGOs that seek to debunk mis- and disinformation (Credibility Coalition, 2021_[10]; Khan, 2021_[11]), and governments may support or benefit from the work of fact-checkers to serve as independent and trusted voices. Notably, from the onset of the COVID-19 crisis, youth organisations have launched information campaigns to combat false information, including the international campaign #youthagainstcovid19 and the national campaign #QuédateEnCasa in Mexico, to map and share myth-busting, fact-checking websites and resources targeted at young people (OECD, 2020_[12]). In Italy, the government convened a group of experts in fact checking, debunking and disinformation and launched a joint action campaign called “#bastabufale”, meaning, “stop hoaxes”.

Governments may also seek to build transparent and constructive relationships with online platforms to monitor, flag and respond to mis- and disinformation. In preparation for the 2021 elections, the German Federal Office for Information Security (BSI) co-ordinated with social networks to facilitate rapid reactions to potential threats and established a unit to detect automated bots and synchronised inauthentic behaviour (Miguel, 2021_[13]). These efforts should be undertaken carefully, however, so as not to inhibit freedom of speech, particularly regarding content takedowns (OECD, forthcoming_[8]).

Pre-bunking – or attempting to “inoculate” the public to misleading messages – is another approach that requires anticipating potential misunderstandings or disinformation attacks and that has benefited from partnerships and engagement (Blastland et al., 2020_[14]). For example, the Go Viral! game was developed by the University of Cambridge in partnership with the UK Cabinet Office. It builds on research that found that by exposing people to the techniques used to spread misinformation online, they can better identify and disregard false and misleading content. The game exposes players to examples of false news stories and memes to help them detect such content (Roozenbeek and van der Linden, 2019_[15]).

Over the longer term, co-ordinating and engaging with a wide range of actors can help raise awareness, share knowledge and collect data on effective responses. For example, the Government of Latvia has engaged with the Baltic Centre for Media Excellence, which has established an informal network bringing together journalists, election officials, security services and government officials to enhance communication and co-operation in case of threats to election processes.

The value of engaging with media and civil society organisations is likewise relevant to moving the research agenda forward. Independent support for and collaboration between governments and researchers on topics such as understanding how disinformation is created and spread, why and by whom; which actions

are most effective; and what lessons can be drawn from previous technological changes, will be valuable in designing appropriate responses. In addition to the value of increased direct funding for research, ensuring academia, regulatory bodies and other relevant agencies are engaged in conversations about research needs is a useful step in promoting coherent and effective responses (Matasick, Alfonsi and Bellantoni, 2020^[16]). For example, Canada's Digital Citizen Initiative funds research and digital/civic literacy activities with an aim to better understand the sources, spread, and impact of disinformation in Canada, and how might literacy activities best inoculate citizens and build resilience.

Collaborating at the international level through exchange of information

The ability for myths and false information to spread as widely and rapidly as they do – clearly seen throughout the COVID-19 pandemic – has added urgency to efforts to work across national boundaries to counter such narratives. Facilitating dialogue between all relevant actors is therefore an important element to tackle these threats. To that end, governments can build on efforts to collaborate and exchange information, threat analysis and good practices. For example, the EU Rapid Alert System (RAS) facilitates the sharing of insights related to disinformation campaigns and co-ordinate responses between EU member states. The RAS is based on open-source information and draws upon insights from academia, fact-checkers, online platforms and international partners. Similarly, in 2014, NATO founded an independent StratCom Centre of Excellence, which aims to contribute to the strategic communications capabilities of NATO allies and partners, including via research and preparations regarding threats posed by disinformation.³ The G7 Rapid Response Mechanism (RRM) was launched in 2018 to strengthen G7 members' co-ordination and identification of threats to democracy, including those posed by mis- and disinformation.

Moving forward, international collaboration can further promote more effective regulatory responses and engage like-minded countries in identifying regulatory priorities and understanding options and impact. Building an international knowledge base and applying lessons from other industry experiences is particularly useful to respond to the rapidly changing and complex trade-offs concerning the response to mis- and disinformation, and points to the utility of continuing to explore new avenues for international co-operation.

Building capacity for more responsive and effective public communication in counteracting mis- and disinformation

Building the capacity of the public communication function⁴ to promote a more informed citizenry and support a healthy information ecosystem can be an essential tool to counteract the threats posed by mis- and disinformation. By providing proactive, timely, and transparent communication, governments can both react to and prevent the spread of such content. Specific examples of how governments can strengthen this function include:

- **Governance and institutionalisation of public communication responses.** Governments should formalise definitions,⁵ policies and approaches to help shift from ad hoc and fragmented approaches to counteracting mis- and disinformation, to more structured and strategic approaches. Supporting the governance and institutionalisation of the public communication function can provide clarity of purpose, help set concrete metrics for measuring impact of public communication activities and justify allocations for resources to this government function (OECD, forthcoming^[8]). Ultimately, strengthening the public communication function by assigning clear mandates, allocating appropriate institutional resources and establishing effective co-ordination mechanisms can enhance governments' ability to disseminate accurate content and foster citizen participation (Matasick, Alfonsi and Bellantoni, 2020^[16]).
- **Identifying, tracking, monitoring, analysing and assessing problematic content and its sources.** Monitoring public and open channels and platforms to identify problematic content and

emerging narratives is a key feature of government efforts to understand emerging mis- and disinformation narratives and to develop effective communication responses. Given that disinformation campaigns often seek to elicit emotional reactions to content and to undermine trust in target audiences, governments should develop clearer understandings of how to track and react to such content. For example, in Lithuania, potential disinformation is assessed using three criteria: its source; its content and context; and the timing of when the content was spread. When taken together, this information helps provide a clearer picture of the potential disinformation threat.⁶ Such activities should be conducted consistently to ensure the timeliness of possible responses, as well as transparently and within the limits of data privacy so as to help maintain democratic legitimacy (OECD, forthcoming^[8]). To that end, governments should put in place structures, staff and resources, such as the UK's Rapid Response Unit (RRU), to ensure departments at all levels are sufficiently equipped and that counter-misinformation efforts are mainstreamed in a transparent and accountable way.

Nevertheless, the role and impact of closed groups and messages shared on encrypted services such as WhatsApp will need to be better understood. These platforms provide users with valuable privacy and safety functions, but can also be important channels to spread mis- and disinformation, while their private and encrypted nature make understanding content spread on these channels impossible to analyse. Monitoring the evolution of public discourse on social media and online searches in real-time can help governments understand emerging narratives and respond quickly and effectively to emerging threats. At the same time, governments must ensure mechanisms are in place to prevent tracking from being misused or for users to be identified and monitored in ways that can restrict speech, infringe on privacy or limit democratic participation.

- **Understanding audience needs, using behavioural insights to prevent the spread of falsehoods.** Gathering and analysing data on the public's needs and expectations is essential for devising effective communication against mis- and disinformation (OECD, forthcoming^[17]). Using audience research and evaluation of communication efforts, governments can ensure messages are tailored, relevant and responsive. Furthermore, evidence from behavioural insights (BI) shows that behavioural failures such as information overload and confirmation bias can undermine government response to mis- and disinformation. A sophisticated understanding of human behaviour is fundamental to developing effective responses to mis- and disinformation and declining trust in institutions. BI enables governments to better understand who are the most vulnerable populations, design innovative policy solutions to mitigate the spread of misinformation and its effects, and build evidence on what approaches work best (see Box 1.1) (OECD, 2021^[18]).

Box 1.1. An International Collaboration to tackle Misinformation with Behavioural Insights

The Government of Canada, in partnership with the OECD and the French Government, conducted an experiment to investigate and influence Canadians' intentions to share false and true news on social media. Implementing a randomised controlled trial (RCT) design in one wave of the longitudinal Impact Canada COVID-19 Snapshot Monitoring Study ([COSMO Canada](#)), two behaviourally informed interventions were tested. Both interventions were drawn from a rapidly growing research literature, and both aimed at improving the quality of news shared online (that is, the preference for sharing verifiably true over verifiably false news links) while prioritising individuals' autonomy. The first intervention was a simple accuracy evaluation prompt, attuning respondents' attention to accuracy by asking them to rate the accuracy of a single random headline prior to engaging with Facebook-style headlines online. The second intervention was a list of media literacy tips.

This collaboration found:

1. First, that early results indicate a disconnect between participants' ($N = 1872$ participants) beliefs and sharing intentions. People rate verifiably true headlines as significantly more accurate than verifiably false headlines (as determined by third-party fact-checkers), but are much less discerning in their sharing intentions – in other words, people may share news headlines they believe to be false, or questionable.
2. Second, that early results of the experimental intervention suggest that exposure to both the simple attention-to-accuracy prompt and the digital media literacy tips significantly increased participants' intentions to share true over false headlines. In contrast to previous published work, the effectiveness of the media literacy intervention far exceeded the effectiveness of the accuracy prompt, with the tips reducing false news sharing intentions by over 20%.

These results provide compelling support for how simple and scalable online interventions presented to individuals before they engage with news stories may improve the quality of information circulating online. For some, it may be surprising to hear that individuals are (sometimes) willing to share news that they believe to be false or questionable. This study provides evidence that this does indeed happen, likely due to a failure to pay attention to the accuracy of news content confronted in the social media context. Although additional research and analysis is required to determine why individuals may choose to share false or misleading headlines online, studies like these remain vital for challenging assumptions about human behaviour, creating more effective and scalable solutions based on those they aim to serve, and indicating areas of future exploration that can enhance the robustness of knowledge on global behavioural challenges like mis- and disinformation.

Source: Government of Canada

More broadly, using evidence, analytics and BI can help governments promote evidence-based and innovative policy outcomes, support their ability to manage information in the digital age, and increase their capacity to address global challenges to reinforce democracy.

- **Inclusive-minded content design and delivery.** Using appropriate channels and delivering clear and tailored messages can help ensure communications reach all segments of society, including groups that are less likely to be exposed to or trust official information. To that end, preparing and implementing strategic communication campaigns and ensuring accurate information reaches target audiences proactively is essential in counteracting the spread of mis- and disinformation. Throughout the COVID-19 response, many countries developed processes that utilise credible messengers, such as members of a particular community, scientists and doctors, or influencers to present relevant information in a timely, authoritative and non-politicised way to help ensure it reached as wide a segment of the population as possible (OECD, forthcoming^[8]). Governments can also support trusted messengers to counteract mis- and disinformation by providing information and guidance. Along these lines, the US "[Community Toolkit for Addressing Health Misinformation](#)" provides "trusted messengers" with practical, step-by-step recommendations and actions for trusted community messengers.

Improving media literacy through awareness campaigns and civic education

Maintaining freedom of expression and an open internet means that mis- and disinformation will never disappear. A focus on reducing systematic risks to its spread, therefore, suggests that governments should also build long-term resilience at the level of individual citizens, who should be better equipped to

differentiate between accurate and false or misleading information and be more aware of their role in preventing its spread. Media and information literacy plays an important role in helping to protect society from the relevant threats, while building capacity for the public to take advantage of the benefits to online and social platforms.

Media and information literacy efforts aim to build capacity of individuals to recognise and dismiss false and misleading information. Efforts can be campaign-based or achieved through civic education. Examples of campaign-based initiatives include Australia’s “Stop and Consider” campaign (Buckmaster and Wils, 2019^[19]), which sought to encourage the electorate to check sources of elections information carefully (Australian Electoral Commission, 2019^[20]). Belgium also used media literacy measures through a website informing people about mis- and disinformation (Funke and Flamini, 2020^[21]; Mon Opinion, 2021^[22]). In Latvia, the Ministry of Culture used social media advertisements to promote false news titles; if clicked, the user was redirected to media literacy resources. In one month, the campaign reached more than 895 000 people, with 129 000 people seeing the media literacy information (Ministry of Culture of Latvia, 2021^[23]).

Civic education can also be carried out by incorporating media literacy into existing school and university curricula, as well as providing training for teachers to deliver the content (Burns and Gottschalk, 2020^[24]).⁷ Existing efforts include those by France’s Ministère de la Culture and Belgium’s High Council of Media Literacy (Conseil Supérieur d’Éducation aux Médias) which provide tools, training courses and engagement opportunities between students and journalists to increase resilience to disinformation (Matasick, Alfonsi and Bellantoni, 2020^[16]; Suarez-Alvarez, 2021^[25]).⁸ Additionally, in 2008 the Ministry of Education, Culture and Science of the Netherlands established the Dutch Media Literacy Network, which brings together a wide range of partners from across society to promote awareness and share knowledge, expertise and relevant media literacy resources (Dutch Media Literacy Network, 2022^[26]). In Finland, the National Media Education Policy lays out the national effort to provide high-quality, systematic and comprehensive media education, using a variety of actors. Finland’s efforts are structured as part of the country’s broader effort to strengthen democracy and education, and are built on media literacy activities that began in the 1950s.⁹

1.2.2. Preventing the publication and spread of mis- and disinformation through increasing transparency

In addition to actions that address immediate threats or that strengthen the resilience of societies to mis- and disinformation, governments can also adopt regulations and other policy measures aimed at increasing online platforms’ transparency. Given the asymmetry in knowledge between online platforms and governments about how content is spread and what interventions work, transparency is an essential component in helping government and non-government actors develop better understanding to inform policy making.

Along these lines – though focused instead on combatting terrorist and violent extremist content (TVEC) online – the OECD Science, Technology and Innovation Directorate has developed the Voluntary Transparency Reporting Framework (VTRF). This tool offers a common standard for TVEC transparency reporting for online content-sharing services to provide information about their TVEC-related policies and actions.¹⁰ Its application and the analysis derived from the VTRF reports can help inform regulatory responses to promote transparency reporting around mis- and disinformation, as well as future international voluntary efforts to collect relevant information from platforms.

Regarding regulatory responses, the design and application of transparency regulations depend on governments partnering with media and civil society organisations to ensure the utility of the measures and public benefit, as well as to provide assurances that there is no government interference in the free flow of information. These measures can include:

Data sharing requirements for online platforms

Data collection and targeted advertising fuel the ‘attention economy’. By encouraging companies to highlight the kind of content that keeps viewers’ attention, regardless of whether that content is true or not, this attention economy also helps fuel the spread of mis- and disinformation (Balkin, 2020^[27]; 2016^[28]). Conducted with appropriate privacy safeguards and oversight mechanisms to prevent infringements on freedom of speech and expression, the increased ability to identify and trace mis- and disinformation and to collect data on which interventions are effective will help build understanding of the challenges and the design of effective policy responses. Specifically, for example, building the understanding of the sources and content of disinformation campaigns from foreign actors can support law enforcement, security and intelligence agencies to better assess and understand the threat of foreign influence in domestic matters (McCallum, 2021^[29]).

To facilitate public-private access to and sharing of information and data on mis- and disinformation, governments can consider promoting partnerships with external researchers and platforms to share and analyse data from online platforms (OECD, forthcoming^[8]). For example, co-ordinating the sharing of data between platforms and government could be done through an information sharing and analysis organisation (ISAO) or information sharing and analysis centre (ISAC). As long as there are sufficient protections and structures in place to comply with privacy laws, these platforms can gather relevant information and can enable voluntary sharing of information between the private and public sector (DiResta, 2021^[30]). Partnerships, to the extent that companies are willing to share information, may include open data initiatives related to mis- and disinformation, in addition to closed or secure data access and sharing arrangements between governments, technology companies and independent researchers. In 2015, the US Government encouraged the creation of ISAOs for private companies, non-profits, and government departments and agencies to share cyber threat information and best practices. It also established limited liability protections for organisations that voluntarily share threat intelligence with each other and the government via these venues (US Government Office of the President, 2015^[31]).

Moreover, new legislation could establish a legal framework to require the sharing of metadata with external researchers, including information related to disinformation and removed content. The Australian Government announced that they would propose legislation based on the Australian Communications and Media Authority’s (ACMA) report on the adequacy of digital platforms’ disinformation and news quality measures.¹¹ This legislation will aim to provide ACMA with the ability to collect information on Australia-specific content, as well as data on the steps taken to address mis- and disinformation from social media platforms. Australia will also establish a Misinformation and Disinformation Action Group to support collaboration and information-sharing between government, the private sector, researchers and civil society (Minister for Communications, Urban Infrastructure, Cities and the Arts, 2022^[32]). Additionally, the draft Platform Accountability and Transparency Act in the US Senate would create a process through which academic researchers could gain access to information about the operation of social media platforms. The companies would be required to disclose certain internal data and respond to independent research requests. The proposal would also protect researchers from legal liability and would require that platforms proactively make certain information available to researchers or the public.¹² All efforts to increase data-sharing, however, should be conducted under reasonable privacy protections and in ways that protect individuals’ civil liberties (Stamos et al., 2019^[33]).

While enabling the collection of this data from social media platforms will likely require regulation mandating increased data sharing, governments should also build their own capacity to monitor, understand and make sense of data collected. This will necessitate developing public servants’ skills and establishing constructive partnerships with media, academics and civil society partners to facilitate greater understanding of – and more effective responses to – the challenges faced.

Establishing an effective transparency framework around content moderation

One of the fundamental shifts in how information is spread is the role played by online platforms in curating, amplifying and moderating user-generated content. Many of the regulatory frameworks that apply to traditional media (with the exception of otherwise illegal content) do not apply to social media or other online platforms – nor would such frameworks make sense given the fundamentally different models of content creation and distribution. To date, platforms have conducted content moderation largely in response to social and government pressure. This predominantly self-regulatory approach gives private companies de facto control over what information is shared on these important spaces for news dissemination and engagement. At the same time, content-specific government regulations that expand restrictions beyond otherwise illegal speech present clear risks to freedom of speech and expression.

It is therefore important to explore process questions and encourage platforms to establish a framework around which their content moderation activities can be structured. This could include requiring platforms to put in place safeguards for users, such as allowing for the possibility of challenging platforms' content moderation decisions, as well as mandating transparency measures for online platforms that clarify their approach and decisions. Such measures have been proposed, for example, in the European Commission's Digital Services Act (DSA). In addition, governments should focus on ensuring capacity to monitor self-regulatory practices, understand the incentives that underpin participation in self-regulatory regimes, and consider the costs and benefits of regulatory flexibility.

The underlying principles of increasing transparency of content moderation aim to protect users from false or misleading content, while also providing clarity and protection for users around decisions made concerning their content. These goals can be carried out through:

- Requiring online platforms to clarify in plain language through their content moderation policy or Terms of Service how they moderate content, including on algorithmic decision making and human review (OECD findings show, however, that only a small share of consumers read platform terms and conditions in full, suggesting that important and relevant information should be communicated in ways that users can more easily access and understand (OECD, 2017^[34]).
- Requiring clear policies regarding users who break terms of service repeatedly.
- Increasing transparency for users regarding content removal or downgrading actions, the reasons for the decision, and the tools used to reach the decision.
- Requiring online platforms to report regularly on actions taken against mis- and disinformation, potentially including an overview of how content was removed or de-prioritised, the number of accounts suspended, how content was flagged, etc.¹³
- Requiring that online platforms be subject to regular audits of how their content management policy is implemented to identify areas for potential misuse or abuse.

A risk-based approach, which takes into account size and scale of platforms and services, could also help meet the dual demands of encouraging innovation while protecting human rights and democratic discourse. As social media platforms connect more people and play an increasingly important role in public discourse, for example, their potential impacts and the risks they pose to individuals and society also increase. Larger platforms may therefore face more stringent obligations compared to smaller platforms. In practice, this trade-off is particularly complicated when it comes to social media platforms, which blur the lines between consumers and producers of information, making regulations all the more difficult to design (OECD, 2018^[35]).

Notably, the European Commission's proposed DSA places additional requirements on very large online platforms to undertake annual risk assessments to identify systemic risks, including "intentional and (...) co-ordinated manipulation of the platform's service, with a foreseeable impact on health, civic discourse, electoral processes and public security" as well as mitigation measures to address such risks (European Commission, 2020^[36]). The DSA also requires large platforms to take into account how their content

moderation, recommender and advertisement selection and display systems influence the spread of illegal or manipulative content.

Other approaches are informed by efforts to provide broad guidance on good practices, pre-established rules and standards for transparent content moderation.¹⁴ In the European Union, the Code of Practice on Disinformation was the first self-regulatory instrument that leading industry actors, including Facebook, Google, Microsoft, Mozilla, TikTok and Twitter, voluntarily agreed to. The Code sets out a “wide range of commitments, from transparency in political advertising to the closure of fake accounts and demonetisation of purveyors of disinformation.”¹⁵ It also includes an annex identifying best practices that signatories will apply to implement its commitments. The European Commission recently made proposals to strengthen its implementation,¹⁶ with the aim that the Code can become a co-regulatory instrument, as outlined in the European Commission’s proposed DSA. It sets out the transparency standards that platforms need to establish regarding how they detect, identify and address content that is incompatible with their terms and conditions (European Commission, 2020_[36]).

Content moderation touches on normative questions about freedom of expression, access to information, and rights to hold different opinions, as well as what type of content could be considered ‘factual or truthful’ and what type of content is ‘false or misleading’. Governments must take care that any regulation is not used to limit freedom of speech or expression or does not unfairly burden smaller platforms, thereby skewing the market further toward the largest and most powerful platforms. Governments therefore must engage with industry and civil society groups to ensure that freedom of speech and other rights of users are protected in ways conducive to democratic engagement.

Increasing transparency and understanding of algorithms

The personalisation of user experiences that online communication platforms can provide also represent a novel and fundamental change to how people engage with information. The algorithms used by some social media platforms may attempt to predict what each user wants to view based on evidence collected from metadata such as location, time spent on specific content, or app usage (Jarboe, 2020_[37]). The content that users receive responds to its relevance, rather than to a first-come first-served basis. Also, some algorithms do not distinguish between advertisements, propaganda, disinformation or fact-checked data (DiResta, 2018_[38]).

Moreover, algorithms can feed users information that tends to agree with their views and beliefs, thereby risking the creation of “echo chambers” or “filter bubbles” that reinforce and confirm already held beliefs. The European Commission acknowledges how the use of opaque algorithms by widely used platforms has enabled the spread of false information and polarising messages, including through disinformation campaigns (European Commission, 2020_[39]). To combat mis- and disinformation, governments could require online platforms to make transparent the parameters of their algorithms. Promoting transparency is a main priority of some government initiatives, such as the UK Draft Online Safety Bill (Minister of State for Digital and Culture, 2021_[40]).

In addition to transparency requirements, governments, media and civil society organisations could encourage greater accountability and offer guidance or help build safeguards in the way algorithms are designed to feed users with more diverse content and reduce the spread of mis- and disinformation. As noted by New Zealand Prime Minister Jacinda Ardern, while social media platform algorithms may personalise user experiences, they can also make user experiences more extreme and radicalised. As such, in addition to the “pressing and urgent need” for greater transparency of how algorithms work and the outcomes they deliver, the Prime Minister also called for creating a shared approach for responsible algorithm development and deployment (Prime Minister Jacinda Ardern, 2022_[41]). Through the DSA, for example, the European Commission has proposed rules requiring platforms to develop risk assessments and submit to independent audits focused on how their algorithms prioritise and target information as a means of promoting platform accountability (European Commission, 2020_[39]).

Increasing authentic online activity and countering foreign interference

Social media platforms have pursued efforts to limit the effect of co-ordinated inauthentic and manipulated behaviour and content, and efforts to increase the authenticity of online engagement is an important avenue. For example, validating that social media platform accounts can be linked to real persons can limit the spread of disinformation, since by eliminating the risk of bots purposefully triggering tipping points of disinformation, platforms can decrease the risks of harm (Gladwell, 2000^[42]; The Economist, 2009^[43]). Concerning preventing or removing false accounts, governments could require bots to be labelled or provide more guidance on social media platform requirements to boost authentic activity. Governments could also establish guidance on how to identify false ID documents of their own nationality. Of course, any measures taken toward promoting authentic activity and limiting inauthentic engagement should be informed by human rights regarding freedom of expression and the right to privacy and ensure, to the greatest possible extent, individual awareness, participation and control over the use and sharing of personal information.

Other measures aim to address mis- and disinformation campaigns spread by lobbyists or influencers who knowingly or accidentally promote misleading content on certain topics or products (Alderman, 2021^[44]; Fisher, 2021^[45]; OECD, 2021^[46]). For example, during the COVID-19 pandemic, hoax companies posing as public relations firms approached influencers and content producers in France and Germany to lure them into spreading disinformation (Alderman, 2021^[44]). This technique has been used by foreign actors seeking to affect domestic affairs, by undemocratic governments against their own population, and by domestic groups pursuing more power (Fisher, 2021^[45]).

Addressing this threat requires more transparency in beneficial ownership registries and disclosure of the companies or individuals sponsoring certain content (Khan, 2021^[11]). To this end, for example, the Australian Government's Foreign Influence Transparency Scheme seeks to reduce the risk posed by foreign interference, which includes covert, deceptive and coercive efforts to affect political or governmental processes driven or undertaken by or on behalf of foreign actors (Australian Government, 2019^[47]). Governments could also improve incentives and enforce duties of care for companies to enhance their levels of transparency regarding the metadata related to groups and actors pushing specific content (Balkin, 2020^[27]).

In addition, there is scope for governments to require the disclosure of certain types of digitally manipulated and misleading content. Notably, deepfakes are audio or visual media content that seem authentic, but are in fact synthetic or manipulated. They present a disinformation risk by featuring people saying or doing things they have never said or done (van Huijstee et al., 2021^[48]). Deepfakes have been used in fraud schemes to mimic the voice of the CEO of a company and trick an employee to transfer money from the company (Stupp, 2019^[49]). They have also been used in disinformation campaigns to target civil rights activists and trigger hate speech (Mezzofiore, 2018^[50]; MIT Open Documentary Lab, 2020^[51]). The use of deepfakes for disinformation campaigns has been a matter of special concern since it has become easier to make and harder to detect (Sen, 2021^[52]). Efforts to tackle deepfakes have entered a technological race to develop AI tools to detect such content (Andrews, 2020^[53]; Diaz, 2021^[54]).

To counteract this risk, the European Union is proposing to enforce an obligation to disclose that certain content is generated using automated means, with the exception of those cases that have a legitimate purpose (law enforcement and freedom of expression) (European Commission, 2021, p. 5.2.4^[55]). Other measures proposed by the European Union include bans on certain applications, legal obligations for deepfake technology providers, and institutionalised support for victims of deepfakes (van Huijstee et al., 2021^[48]). In the United States, the proposed Deepfakes Accountability Act aims, inter alia, to require producers of deepfakes to comply with certain digital watermarks and disclose information on content (US Congress, 2019^[56]), and the State of California criminalised the use of deepfakes in political advertising (though the law does not apply to news media, parody or satire) (Statt, 2019^[57]).

1.2.3. Reducing the economic and structural drivers of mis- and disinformation

Governments can also implement measures that are indirectly connected to mis- and disinformation but nevertheless have significant implications on the underlying structural and economic drivers that affect its spread. The European Commission (EC) has taken this approach through the DSA and the Digital Markets Act (DMA). The EC has focused on creating and maintaining a level playing field for digital services; ensuring responsible behaviour of online platforms; fostering trust, transparency and ensuring fairness on online platforms; and keeping markets open by promoting a fairer business environment and encouraging new services to enter the market.¹⁷

Analysing and applying lessons from policy responses and approaches undertaken in similar and other rapidly evolving markets can help governments better understand new technologies and implications and may help develop more flexible approaches. Some of the relevant responses to economic and structural drivers to explore further are:

Leveraging competition measures

The innovations brought by digitalisation have introduced substantial consumer benefits, including lower prices, greater accessibility and convenience, more variety, and new products. At the same time, several concerns have been identified with respect to competition in many digital markets, for example in terms of market structure and anticompetitive conduct and merger activity. Digital-intensive sectors have also demonstrated a tendency toward greater market concentration and falling entry rates of new firms (OECD, 2019^[58]; OECD, 2022^[59]). These trends are a concern because evidence shows that healthy market competition helps spur innovation, as well as promote long-term growth and well-being (OECD, forthcoming^[17]).

Competition measures may also play a role in addressing the behaviour (and the incentives) of large online platforms that can breed mis- and disinformation. Indeed, the most influential media companies benefit from large resources, global and networked user bases, and access to vast amount of data that can be used to strengthen network effects, target products and steer consumer decision making. Together, these factors can make it harder for consumers to easily switch services and potentially lead to anti-competitive conduct that can stifle innovation (OECD, forthcoming^[17]). Changing market dynamics have also affected the news and information industry – and how people get and share information. These factors can lead to market distortions, as well as dominance of algorithms that may facilitate the amplification of mis- and disinformation. To that end, encouraging new entrants and innovation may spur competition between online platforms with regards to privacy issues, data portability, platform content moderation policies, among others.

To address these risks, market regulation and competition tools could be applied, including:

- **Governments could require large online platforms to ensure a “fair” remuneration to news media companies for the use of their content.** Large online platforms have disrupted advertising markets, drastically altering the incentives of traditional and ad-funded news publishers. Australia adopted a news media bargaining code in February 2021 to address the bargaining power imbalances between large online platforms and news publishers (Australian Competition and Consumer Commission, 2020^[60]). The code requires designated digital platforms and news businesses that have indicated an intention to bargain to do so in good faith. If an agreement about remuneration cannot be reached within three months, there is an arbitration mechanism within the framework to resolve disputes over remuneration (Australian Competition and Consumer Commission, 2020^[60]).¹⁸ Similarly, in July 2019, France enacted a law transposing the EU directive on copyright and related rights, and providing remuneration criteria for the use of news abstracts on online platforms (Autorité de la concurrence, 2020^[61]). In April 2020, the French competition

authority imposed interim measures requiring Google to negotiate in good faith with publishers and news agencies the remuneration due to them under the law (Autorité de la concurrence, 2020^[61]).

- **Governments could increase scrutiny of mergers and ‘killer acquisitions’.** A ‘killer acquisition’ is the practice of large tech companies acquiring smaller firms or start-up companies that may represent competition. Large online platforms have been very active in acquiring other businesses. For example, between 2001 and 2021, Google bought 258 companies, meaning they closed more than one deal per month; Facebook employed a similar practice, buying 90 companies in a period of 16 years (2005 to 2021), meaning they closed one deal every two months (Nadler and Cicilline, 2020^[62]; American Economic Liberties Project, 2021^[63]). Some of these transactions may have chilled innovation, and concentration may have reduced competition for and availability of trustworthy sources of news (Nadler and Cicilline, 2020^[62]). Moreover, with few options available for consumers, concentration may also reduce incentives for large online platforms to compete on quality aspects.
- **Governments could consider more structural reforms to address digital platforms’ market power.** For instance, competition policies to address mis- and disinformation might lead to preventing social networks from engaging in various functions. Social media platforms also play an important role in advertising and as news distributors (e.g. when a user streams an event live). Separating their social network functions from their ad business could potentially be justified based on promoting media diversity and protecting journalism, though more research is needed to understand the implications and efficacy of such an approach.

Nevertheless, a fragmented legislative landscape for platforms carries costs for firms and consumers, increases uncertainty, and may preclude welfare-enhancing innovation. Promoting a more coherent global approach to identifying and implementing relevant regulation would enhance the effectiveness of government efforts (OECD, forthcoming^[17]). Due to how recently many of the policies have been enacted, the complexity and scale of the businesses affected and the rapid pace of technological and market change, furthermore, additional analysis and ongoing engagement with relevant stakeholders will be required to understand the impact of such measures on the spread of false and misleading content and on the economic trade-offs.

Promoting quality and safety in platform design

Similar to other areas of engineering and design, where a common set of technical standards include safety and quality requirements, online platforms could also respond to new and higher-level safety and quality requirements that can mitigate mis- and disinformation risks. Governments’ – and societies’ – interests in ensuring quality and safety of platforms is related to the scale, utility and impact of the platforms on society. Specific considerations on platform design are related to technical considerations of the choices in design, architecture and engineering that affect what information is shared and how it is spread (Forum on Information and Democracy, 2020^[64]). For example, governments could focus efforts on developing specific and quantifiable tests, standards and processes to support responsible business conduct and promote safety of online services, as well as engaging with technical experts and stakeholders to encourage the design of guidelines or codes for social platforms and other digital commons (Forum on Information and Democracy, 2020^[64]).

To that end, the OECD Guidelines on Multinational Enterprises, as well as other international standards,¹⁹ can help direct government efforts to create an enabling policy environment for online platforms that supports responsible business conduct (RBC) to facilitate companies’ efforts to identify and address negative impacts they may cause or to which they may contribute (OECD, 2014^[65]; 2011^[66]). Examples of government efforts to apply an RBC approach include the proposed UK Draft Online Safety Bill, which introduces duties to protect “content of democratic importance”, as well as measures that require risk assessments and the implementation of due diligence procedures to reduce the risk of harm. Similarly, the

EU's DSA includes due diligence obligations to promote a transparent and safe online environment (European Commission, 2020^[36]).

A related issue arises when considering how social media companies' access to significant amounts of personal data can be used as a vehicle for spreading mis- and disinformation. Dis-information campaigns use private data to categorise individuals and seek users that can be targeted through customised messaging (Privacy International, 2021^[67]; Khan, 2021^[11]). Thus, efforts to regulate how third parties and online platforms can use, or not use, private data will affect the ability of disinformation campaigns to inflict harm. For example, the draft UK Online Safety Bill places special duties regarding both freedom of expression and privacy, in particular by requiring that all service providers protect their users, within the law, against censorship and unwarranted infringements of privacy (Minister of State for Digital and Culture, 2021^[40]). Efforts to protect privacy can also be seen in the EU through the implementation of the General Data Protection Regulation, or the Data Protection Law Enforcement Directive (European Commission, 2021^[68]).

These areas will require feedback and engagement from a wide range of partners to ensure any regulatory responses meet broader democratic needs and do not unduly stifle innovation. Exploring how to engage effectively with non-governmental partners is also important to consider in the design of regulations in this rapidly evolving and complex space. Indeed, reliance on traditional policy tools and actors is difficult in situations where the direction of technological innovation and impact cannot be determined.

Tools that encourage flexibility and innovation are necessary and require that governments improve their ability to engage with technology developers and users (OECD, 2018^[69]). For example, regulatory sandboxes and testbeds are co-creation processes designed to help governments better understand new technologies and regulatory implications, while at the same time giving external partners an opportunity to test new technology and business models (OECD, 2018^[69]). For online products and businesses, regulatory models often differ significantly to those in traditional markets and may not fit well with existing frameworks. This challenge is exacerbated by the fast pace of digital transformation, which makes market developments and future policy concerns difficult to predict. In these cases, sandboxes can help increase flexibility and decrease regulatory uncertainty, while enabling closer relationships between regulators and firms (Attrey, Leshner and Lomax, 2020^[70]). Codes of conduct and real-time technology assessments are other examples of more flexible solutions.

Broadly, collaborative approaches to developing regulation should focus on drawing on a range of stakeholders that include civil society, fact-checkers, media and academic organisations. Bringing a diverse range of stakeholders together may prove particularly useful given the rapid change, complexity and critical role the sector plays in affecting democratic engagement (Koulolias et al., 2018^[71]).

Promoting and maintaining a diverse and independent media sector

Governments can also address mis- and disinformation by strengthening the press and news media sector through encouraging diversity, editorial independence, and ensuring high-quality news provision. Government efforts in this regard will be rooted in part in policies that facilitate an enabling environment for civil society organisations, such as media watchdog groups, and that counteract media capture by special interests (Nelson, 2017^[72]). The objective is to discourage market concentration and encouraging innovation and the development of new online platforms owned by different companies to diversify options for users (Balkin, 2020^[27]). The creation of new platforms can develop their own social media environment, norms, and communities, which would expand the options for users.

Additionally, governments can apply anti-monopoly measures and foster fair competition to address media capture. Measures could address situations in which large technology or media companies buy independent news agencies, and then use their control to unduly influence media content (Stiglitz, 2017^[73]). In addition to private models of news provision, not-for-profit foundations (such as [Pro Publica](#)) and public service media (such as the BBC) can play an important role in the information and media space. Notably,

public broadcasters tend to have the highest trust scores, at least in countries where their independence is not in doubt (Newman et al., 2018^[74]).

Transparent and independent financial support for high-quality journalism can also combat media capture by large technology companies, who may threaten to withdraw financial incentives from traditional media, for example by blocking subscribers and advertisers. Some countries, such as Austria, Sweden, Norway and the Netherlands, are mitigating this risk by giving subsidies to newspapers that provide political, cultural and economic content (Greenwell, 2017^[75]; Schiffrin, 2017^[76]). Governments could also support initiatives, both domestically and via international development mechanisms, that provide training to citizen journalists and to traditional outlets on how to manage public engagement to foster participation in news production through citizen and community journalism. Clear and independent oversight can maintain impartiality and help ensure any government support provided to news providers is done in a way that promotes democratic engagement and the free exchange of information.

More broadly, governments can think strategically about how the media can facilitate effective information exchange and the implications of changing technologies on how people get and share news, and to identify ways to build on civil society initiatives to support effective and independent media. For example, the Government of Ireland set up an independent Future of Media Commission, which examined the challenges faced by public service broadcasters, commercial broadcasters, print and online media platforms. The commission also held public dialogues focused on issues related to funding sources, changes in audience behaviour and changes in technology.²⁰ Furthermore, the Journalism Trust Initiative (JTI), operated by Reporters Without Borders, promotes a healthier information space via indicators for trustworthy, professional and ethical journalism. The JTI can be used by regulators and state actors as an independent, self-regulatory mechanism to allocate subsidies and benefits to media outlets.

1.3. Conclusions

The breadth and depth of the mis- and disinformation challenge call for a wide range of measures driven by a whole-of-government and whole-of-society perspective. Efforts cannot be limited to the national level, as mis- and disinformation transcend territorial boundaries, nor can they be limited to governance responses alone. Current and proposed initiatives must reflect the interdisciplinary and systemic challenges faced and be developed and implemented in partnership with media and civil society organisations focused on a wide range of issues, including legal and human rights, cyber security and privacy, competition, foreign interference, etc. Governments will need to explore policies and initiatives that respond to immediate threats as well as support more resilient societies, in addition to regulatory measures to increase transparency and prevention, and reduce economic and structural drivers of mis- and disinformation.

At present, there is a need to explore how governments, the media and civil society organisations can co-operate more effectively to build strong and meaningful relationships, as well as the mechanisms necessary to help ensure media and civil society organisations remain sufficiently independent to hold governments to account. The nature of the challenges means that only collective action will deliver the changes needed to strengthen information spaces, build trust and make democracy more resilient. Building on existing good practices, an OECD Action Plan has been developed, with concrete actions countries can take to address the issues outlined in this chapter with reforms that are ambitious and impactful: <https://www.oecd.org/governance/reinforcing-democracy/>.

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Notes

¹ European Commission (2020, p. 18_[39]), European Democracy Action Plan: making EU democracies stronger, COM(2020) 790 final.

² See also (Leshner, Pawelec and Desai, 2022_[2]) for a typology of untrue content online, including contextual deception, propaganda and satire.

³ <https://stratcomcoe.org/>

⁴ Public communication is distinct from political communication, which is linked to elections or political parties, and is understood as the government function to deliver information, listen and respond to citizens in the service of the common good (OECD, 2021^[4]).

⁵ The definitions developed by governments may be informed by existing work; see for example Leshner, Pawelec and Desai (2022^[2]), "Disentangling untruths online: Creators, spreaders and how to stop them", *Going Digital Toolkit Note*, No. 23, https://goingdigital.oecd.org/data/notes/No23_ToolkitNote_UntruthsOnline.pdf

⁶ Order of the Lithuania's Government, No.955, 26 August 2020.

⁷ For more, see OECD Centre for Educational Research and Innovation (CERI)'s [21st Century Children project](#), in particular "[21st Century Children: Digital Risks and Resilience](#)".

⁸ Recent data from PISA showed that an average of 54% of students in OECD countries reported being trained at school on how to recognise whether information is biased or not. Among OECD countries, more than 70% of students reported receiving this training in Australia, Canada, Denmark, and the United States. However, less than 45% of students reported received this training in Israel, Latvia, the Slovak Republic, Slovenia, and Switzerland (Suarez-Alvarez, 2021^[25]).

⁹ <https://medialukutaitosuomessa.fi/mediaeducationpolicy.pdf>

¹⁰ For more information, see: <https://www.oecd.org/digital/vtrf/>

¹¹ <https://www.acma.gov.au/report-government-adequacy-digital-platforms-disinformation-and-news-quality-measures>

¹² For more information, see: <https://www.coons.senate.gov/news/press-releases/coons-portman-klobuchar-announce-legislation-to-ensure-transparency-at-social-media-platforms>

¹³ For an overview of TVEC-related transparency reporting of leading online content-sharing services, see: OECD (2021^[77]), "Transparency reporting on terrorist and violent extremist content online: An update on the global top 50 content sharing services", *OECD Digital Economy Papers*, No. 313, OECD Publishing, Paris, <https://doi.org/10.1787/8af4ab29-en>.

¹⁴ See also the 2020 Santa Clara Principles 2.0 and the recommendations on transparency laid out in the Forum on Information & Democracy's Working Group on Infodemics 2020 Policy Framework (Forum on Information and Democracy, 2020^[64]).

¹⁵ <https://digital-strategy.ec.europa.eu/en/policies/code-practice-disinformation>

¹⁶ https://ec.europa.eu/commission/presscorner/detail/en/ip_21_2585

¹⁷ For more information, see: <https://digital-strategy.ec.europa.eu/en/policies/online-platforms>

¹⁸ See also:

<https://www.accc.gov.au/system/files/Final%20legislation%20as%20passed%20by%20both%20houses.pdf>

¹⁹ For example, the UN Guiding Principles on Business and Human Rights and the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy.

²⁰ For more information, see: <https://futureofmediacommission.ie/>

2 Upgrading participation, representation and openness in public life

In a context of low levels of trust in government and dissociation of some groups of citizens from traditional democratic institutions, citizens are expecting public administrations to be more representative of their interests and needs. This chapter discusses how governments can respond through more inclusive public participation, including by protecting civic space, ensuring the integrity of the electoral process, averting undue influence in public-decision making, and promoting inclusive and well-governed stakeholder participation in rule making. It also looks at participatory policy making and service design and delivery, developing people's capacities to participate in public decision making, and strengthening people-centred justice for greater participation and trust. The second section focuses on strengthening democratic representation, including making elected bodies and executives more representative of the population; fostering a diverse, representative, and responsive civil service; and delivering on the promise of representation.

2.1. Introduction

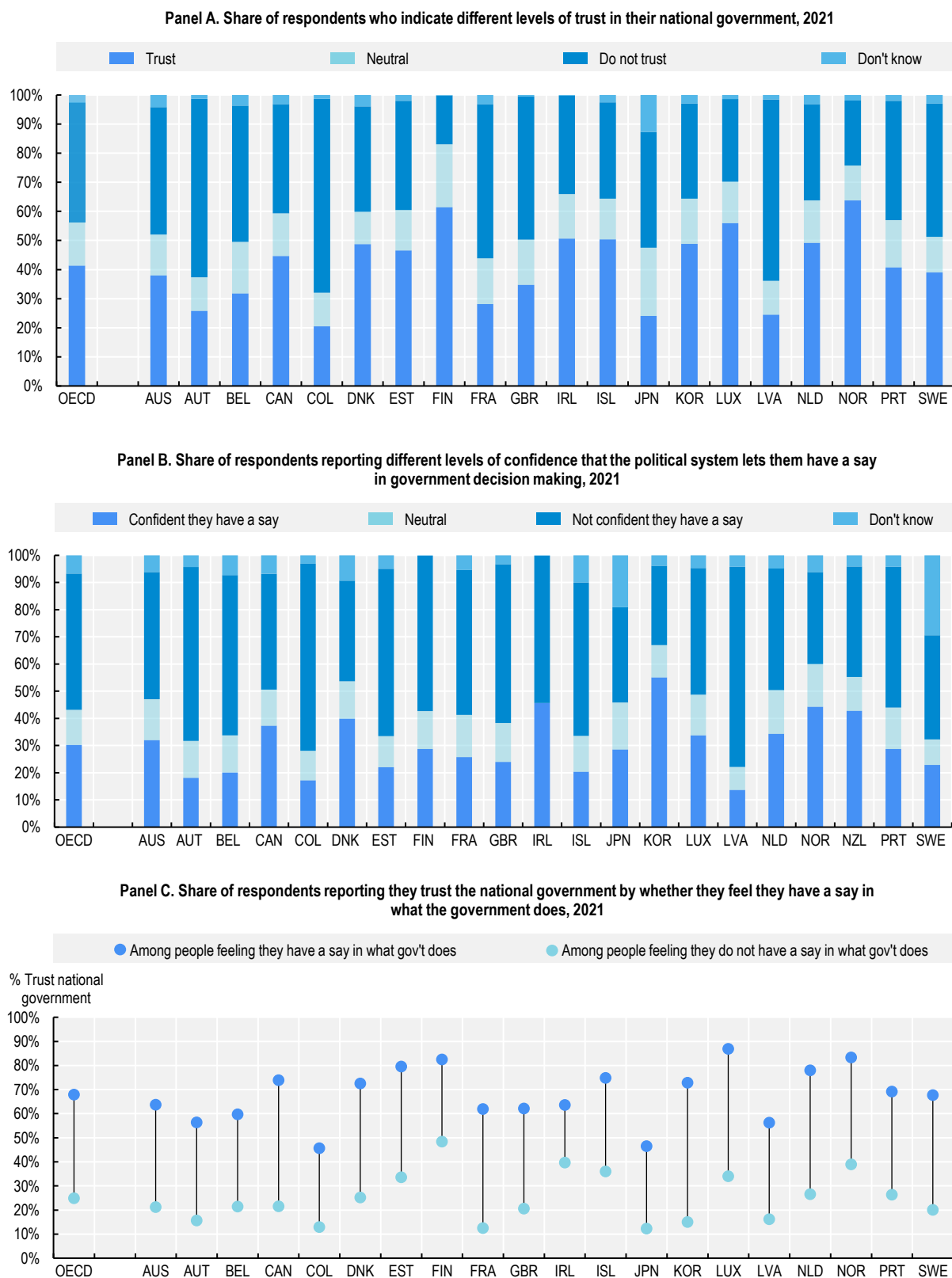
In a context of low levels of trust in government and dissociation of some groups of citizens from traditional democratic institutions, citizens are expecting public administrations to be more representative of their interests and needs, and to actively engage with them as partners. As we look towards the looming environmental emergency, the effects of the pandemic, and the threats coming from recent global challenges, the difficult decisions to transform our societies and economies require constructive public debates and engagement that yield buy-in from all citizens and stakeholders on urgent and sometimes difficult reforms.

As countries fought to emerge from the largest health, economic and social crisis in decades, trust levels decreased in 2021 but remained slightly higher than in the aftermath of the 2008 economic crisis (OECD, 2021^[1]). The inaugural OECD Survey on Drivers of Trust in Public Institutions (“OECD Trust Survey”) finds that public confidence is evenly split between people who say they trust their national government and those who do not. The Survey shows that it takes a long time to rebuild trust when it is diminished; it took about a decade for trust to recover from the 2008 crisis. It also finds a widespread sense of lack of opportunities for citizens to exercise effective political voice and to have meaningful engagement. Less than one-third of people (30.2%) on average across 22 OECD countries say the political system in their country lets them have a say. More than four in ten respondents (42.8%) say it is unlikely that the views shared in a public consultation would influence policy making (OECD, 2022^[2]).

These trends mark an important shift and prompt a fundamental questioning of the role citizens should play in public decision-making and how public institutions, parliaments, and governments can better represent them. The question is whether in a more representative, participatory and deliberative democracy, there can be evolution in the two-way relationship between everyday people and their governments. An increased role in policy making and in service design and delivery would involve a strengthened form of democracy that would not only be “*of the people, by the people, for the people*”¹ but also increasingly *with the people*. What is called for is a historical move towards a more diffused and shared conception of democratic governance, which also includes a more inclusive role for public institutions and officials tasked with ensuring that the policies and services they design and implement are more representative of society, at all levels of government.

This chapter focuses largely on the cutting-edge issues, challenges and practices that concern advanced democracies, and how participation and representation matter and are evolving beyond elections.² It does not review the traditional pillars of representative democracy and the basic considerations underpinning free and fair elections, nor the role of Parliament, which is core to representative democratic systems. Nevertheless, separate analysis should be carried out to review the cutting-edge evolution of Parliaments in democracies and how they could further evolve to strengthen representation.

Figure 2.1. Key measures of people’s engagement and trust in government



Source: OECD (2022^[2]), *Building Trust to Reinforce Democracy: Main Findings from the 2021 OECD Survey on Drivers of Trust in Public Institutions*, Building Trust in Public Institutions, OECD Publishing, Paris, <https://doi.org/10.1787/b407f99c-en>.

2.2. Creating opportunities for inclusive public participation

Participation allows citizens and stakeholders to influence activities and decisions of public authorities at different stages of the policy cycle. The OECD Recommendation on Open Government (OECD, 2017^[3]) distinguishes among three levels of citizen and stakeholder participation, which differ according to the level of involvement: information; consultation; and engagement.³

In this chapter, participation refers to the involvement of citizens within politics and public decision making. Participation is democratic “when every individual potentially affected by a decision has an equal opportunity to affect the decision” (Warren, 2002, p. 693^[4]). It includes “all the ways in which stakeholders can be involved in the policy cycle and in service design and delivery” and refers to the efforts by public institutions to hear views, perspectives, and inputs from citizens and stakeholders. It includes more traditional forms of public engagement, such as consultation, as well as newer innovative practices. Active participation in democratic processes, in policy making, and in public service design and delivery is also essential to ensure that public decisions and services align with society’s needs, desires, and preferences. It is all the more important in a context where only one in three adults believe they have a say in what government does, and that people tend to be dissatisfied with government efforts to reduce inequalities (OECD, 2017^[5]).

This section begins by covering the foundations necessary for active participation and then explores key trends in electoral processes, participatory policy making, and service design and delivery. It includes protecting and promoting civic space,⁴ both online and offline, as well as enabling a citizenry that is informed, empowered, and has agency and efficacy, meaning that people feel they are empowered and have the opportunities to influence change. The section concludes by illustrating current innovative forms of public participation, including deliberative democracy, which is conceptualised as a new form of citizen *representation* rather than *participation*, hence bridging the two themes of this chapter. Finally, this section covers key issues such diversity and inclusion in stakeholder engagement, as well as the importance of engagement with all branches and levels of government, in line with the OECD definition of Open State (OECD, 2017^[3]).

2.2.1. Promoting and protecting civic space as a precondition for participation

Ensuring a healthy civic space is a precondition for citizen participation. It is about creating the necessary environment within which people can exercise their democratic rights. The elements of healthy civic space come in many shapes and sizes in OECD countries, such as constitutions guaranteeing human rights, independent oversight mechanisms over government decisions, autonomous and independent news organisations, protection programmes for human rights defenders, portals responding to freedom of information requests, strategies supporting civil society organisations, and online fora to provide feedback on public services. Protected civic spaces are underpinned by respect for fundamental civic freedoms (e.g., freedoms of expression, association, and assembly), rule of law and non-discrimination; protected media freedoms and digital rights; an enabling environment for civil society; and opportunities to actively participate in decision making that affects people’s lives.

While legal frameworks governing civic space are generally strong in OECD countries, there are challenges related to their implementation. More than two-thirds (72%) of OECD countries almost always allowed and actively protected peaceful assemblies in 2021 except in rare cases of lawful, necessary, and proportionate limitations, according to the Varieties of Democracy (V-Dem) Institute (2021^[6]) while 81% of OECD countries allowed civil society organisations to organise, associate, strike, express themselves, and criticise the government without fear of official sanction or harassment in 2021. Press freedom is largely protected in OECD countries compared with other countries, but it has nonetheless worsened in recent years both under government action and that of other members of society. The proportion of OECD countries where the situation is regarded as favourable for journalism has halved in the space of six years,

according to Reporters Without Borders, and there is a trend towards public vilification of journalists (OECD, forthcoming^[7]).

The onset of COVID-19 has led to increased pressures on aspects of civic space, with heightened concerns about racially motivated discrimination and exclusion, in addition to surveillance and privacy. The response to COVID-19 created additional challenges on this front with some governments resorting to extraordinary tools to respond to the pandemic, including invoking emergency powers that can create tensions with democratic governance by (temporarily) restricting civil liberties and limiting the authority of local governments, without the appropriate democratic safeguards and oversight.

A complex and uneven picture appears among OECD countries. While civic space is under pressure in some, in many others where oversight institutions are strong and there is a long-standing commitment to democracy and civil liberties, it is more accurate to describe the situation as evolving with a “push and pull” between a backslide in certain areas and revival in others. For example, 46% of OECD countries have public institutions that specialise in addressing discrimination and promoting equality (OECD, forthcoming^[7]), while 91% of OECD countries prohibit hate speech and have introduced a plethora of initiatives to curb the phenomenon (OECD, forthcoming^[7]). Canada, Germany and the Netherlands have recently enhanced civic space by passing legislation that protects journalists and their sources from undue disclosure and surveillance measures. Nineteen OECD countries have created a specific ombudsperson for youth or children at the regional or national/federal level to protect civic space for these groups, promote their rights, and hold governments accountable. Moreover, eleven more OECD countries have created an office dedicated to children or youth within the national ombudsperson office, or included youth affairs as part of its mandate (OECD, 2018^[8]).

Many governments have actively protected and promoted civic space and provided additional support to the Civil Society Organisation (CSO) sector during the pandemic. Special state subsidies were introduced in Austria, Canada, Germany, Ireland, Italy, Lithuania and Sweden. In Austria, a 2020 law established a support fund, with CSOs reporting that they were engaged and consulted with throughout the process. In Canada, special COVID-19 calls supported the efforts of ten CSOs helping citizens to think critically about the health information they found online, to identify mis- and dis-information, and limit the impact of racist and/or misleading social media posts relating to the COVID-19 pandemic. In Germany, while there was no overall national pandemic-related CSO support, initiatives were undertaken in certain regions. Ireland launched a COVID-19 Stability Fund to assist community and voluntary organisations delivering critical frontline services for disadvantaged groups. In July 2021, the members of the OECD Development Assistance Committee (DAC) committed to take various steps to better ensure the respect, protection, and promotion of civic space in their work by adhering to the DAC Recommendation on Enabling Civil Society in Development Co-operation and Humanitarian Assistance (OECD, 2021^[9]).

Transparency is of critical value for democracy and reinforcing civic space. Wide communication and information together with government initiatives to raise citizens' awareness can further promote and protect civic space. Various crises (ranging from financial to health-related), recurring corruption scandals, and the rise of mis- and disinformation have increased the need and demand for more timely and accurate information and data from governments and more open and transparent decision-making processes (see Chapter 1). The responses to the COVID-19 crisis have shown, for example, that many decision makers have yet to fully realise that the principles of transparency and access to information are even more important in times of crisis. Evidence shows that they concretely contribute to the design and delivery of policies and services, which are better tailored to citizens' needs and expectations, and allow the population to monitor the proper use of public funds. Access to information and effective public communication⁵ are also enablers of citizens' understanding of, and compliance with, governments' measures and allow all interested parties to engage in an informed dialogue with public institutions on the decisions that affect their lives. Going forward, governments at all levels need to ensure that access to public information provisions are robust, implemented, enforced, monitored and promoted. Additionally,

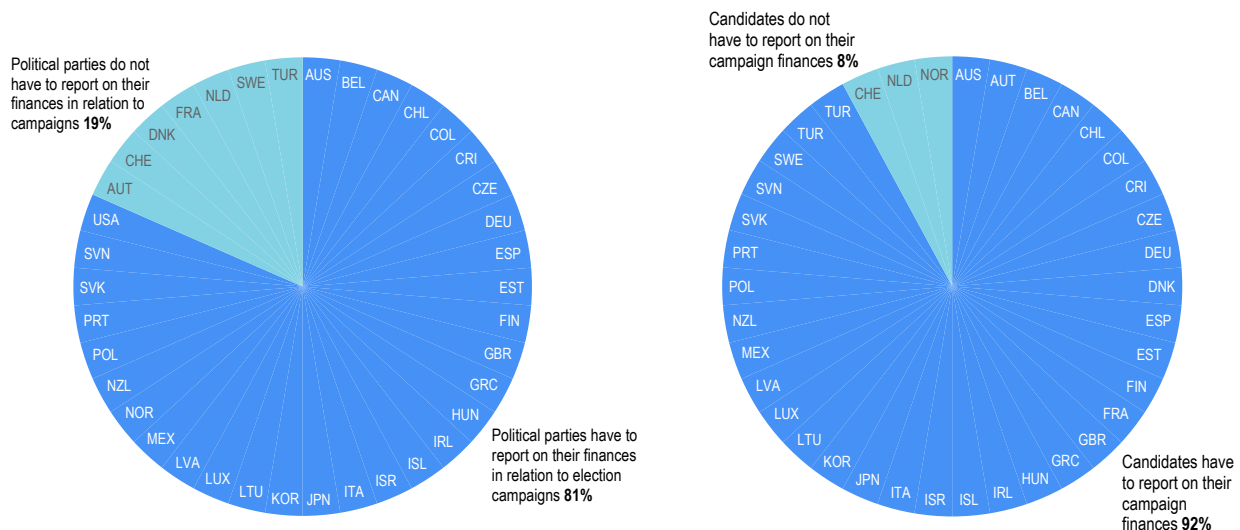
working towards more transparent, inclusive, evidence-based and responsive public communication will be needed to ensure citizens can engage in meaningful dialogue with their government (OECD, 2021^[10]).

Changing demographics, tensions related to immigration, polarisation, social exclusion and discrimination all constitute challenges to inclusive citizen participation. The OECD Civic Space Scan of Finland (2021^[11]) revealed that even in countries such as Finland with a strong commitment to democracy, civil society, and civic participation as well as an impressive international standing related to press freedom, rule of law and respect for civic rights, a sustained effort will be essential to maintain high standards. As in many other countries, hate crimes and hate speech hamper open debate and freedom of expression by seeking to intimidate and silence people. To counter this trend, the OECD oversaw a citizens' panel on tackling hate speech and harassment of public figures in Finland in February 2021, which generated a wide range of recommendations for the government from a representative group of society.

2.2.2. Ensuring the integrity of the electoral process in the current context and countering foreign interference in elections

With the necessary environment and the right skills to participate, citizens should be better prepared to participate in democracy. However, a first hurdle to positive participation can be the electoral process itself. A central element of representative democratic systems is effectively protecting the right of all citizens to vote. Elections and electoral processes must also uphold the highest levels of integrity and transparency, for instance through regular financial reporting by political parties. This takes place in all but one (Switzerland) OECD countries (OECD, 2021^[12]). In addition, 92% of OECD countries also require candidates to report on their campaign finances to an oversight body (Figure 2.2). In 81% of OECD countries, political parties must report on their finances in relation to election campaigns. Yet, while transparency on campaign finance is greater than on lobbying, OECD countries' experiences have revealed that several shortcomings still exist and are vulnerable to exploitation by powerful special interests.

Figure 2.2. Separate reporting information on election campaigns by political parties and/or candidates in OECD countries



Source: Adapted from IDEA (n.d.), Political Finance Database, www.idea.int/political-finance/, in OECD (2021^[12]), *Lobbying in the 21st Century: Transparency, Integrity and Access*, OECD Publishing, Paris, <https://doi.org/10.1787/c6d8eff8-en>.

In addition to transparency, the search for the right balance and level of funding allowed from private stakeholders remains a significant matter in some countries. Upholding the integrity of electoral campaigns also requires attention to the growing, sophisticated use of data and digital platforms by political parties to influence voters. Whereas electoral campaigns naturally involve the collection of voters' opinions and political advertising, how and the extent to which this is being done has dramatically changed, sometimes undermining applicable rules on electoral campaigns and privacy. The *Cambridge Analytica* scandal in 2018 showed the impact of misinformation and data harvesting to target specific individuals with false information. The misuse of data illegitimately harvested from 50 million users of Facebook,⁶ cast doubt on the outcome of strong democratic processes such as the US 2016 elections or the UK 2016 Brexit referendum. As such, the European Union recognised in its Democracy Action Plan published in December 2020 that online platforms have made it more difficult to maintain the integrity of elections and protect the democratic process from disinformation and other manipulations.

For this reason, policy makers should consider establishing stronger safeguards for the ethical use of voters' data, digital technologies, and digital platforms during electoral campaigns. This includes ethical standards⁷ and safeguards to limit the use of data and analytics for excessive psychological profiling and micro-targeting of individuals and groups, protect against the misuse and abuse of social media- and digital platforms, and improve overall transparency in digital campaigning. An example of a country that has started work in this area is the United Kingdom, where in June 2021 the central government made a statement that the upcoming Elections Bill will legislate to extend the existing in-print regime to digital campaigning material. In the development of the new provisions, the government had engaged with social media companies, political parties and the UK Electoral Commission. The European Commission is also set to introduce in 2022 a legislative proposal to enhance transparency of political advertising and communication, and the commercial activities surrounding it, so that the source and purpose of such paid-for political material are more clearly identified.

Electoral justice and effective resolution of electoral complaints are integral to the integrity and legitimacy of an election. Challenges posed by new technologies to the integrity of elections (e.g. misuse of data, disinformation, cybersecurity threats, targeting) (European Commission, 2021^[13]; Garnett and James, 2020^[14]), require strengthened capacities of justice systems to respond to disputes emerging during electoral campaigns or elections. Providing effective remedies to these challenges and contested electoral results requires updating legal frameworks to ensure their legitimacy. The former are indeed foundational for holding governments and contestants accountable, thus improving the quality of governance and helping counter corruption and impunity. In addition, such legal frameworks should allow political competitors to access legal redress, rather than turning to extra-legal measures or unrest (Kofi Annan Foundation, 2016^[15]). Limited access to justice systems on electoral integrity may undermine citizens' trust in electoral management and outcomes and ultimately undermine democracy. At the same time, in the era of information technology and social media, courts are playing a crucial role elaborating standards to balance electoral integrity and the rights of participation and freedom of speech (Dawood, 2021^[16]).

The challenges of election integrity seem to increase when foreign political interests are involved. There are rising concerns over foreign state-led influence and the risks that such influence represents to liberal democracies (OECD, 2021^[12]). Foreign political parties and governments may intentionally seek harm or influence elections for commercial, geopolitical, or personal gain, through a variety of means including technology companies, content service providers and other online intermediaries, as well as lobbying, communications and public relations firms, sometimes used in co-ordination with illicit cyber activities. Foreign interests may also use affiliations to state sponsored media services or cultural institutes as channels of influence. Given the significant risks involved when foreign governments influence domestic politics and elections, it is necessary to increase transparency concerning these activities. In addition, the provision of effective legal remedies and increased capacities, both in national and international courts, are key to protect electoral rights from foreign interference.

Some countries have adopted specific frameworks covering foreign government influence, such as the United States Foreign Agents Registration Act or the Australian Foreign Influence Transparency Scheme Act (OECD, 2021^[12]). Both these schemes cover political activities intended to influence government officials or the public. The UK Government announced in May 2021 the creation of a Foreign Influence Registration (FIR) Scheme to counter foreign interference and protect research in sensitive subject areas. The types of activities that are currently considered could include lobbying, the funding of political campaigning, the work of think tanks, political communications and public relations; or the acquisition of ideas, information or techniques produced by certain sensitive science and technology sectors. The European Commission also announced the development of a common framework and methodology for collecting evidence on foreign interference, as well as a toolbox for countering foreign interference and influence operations. Lastly, the French Government announced in June 2021 the creation of a national agency to combat the manipulation of information coming abroad aimed at “destabilising the state”. The objective of this new agency will be to identify and determine the origin of possible foreign digital interference targeting key democratic processes.

Foreign interference requires justice systems to provide timely responses to reduce risks and maintain public trust. Estonia’s Supreme Court adjudication within seven days (International IDEA, 2019^[17]), is an example of how this can be achieved. However, the foreign dimension adds complexity, with courts encountering obstacles in collecting evidence and the consequent delay in procedures (Dawood, 2021^[16]). Judicial review of reinforced campaign restrictions, limitations to donations, and the constitutional protection of the right to vote without interference (Ringhand, 2021^[18]) are key to guard against the effects of foreign interference, ensure compliance and increase trust in electoral management and institutions more broadly. Both judicial training and public awareness are important elements in a context of growing foreign interference and complexity of the methods used. Finally, inter-agency collaboration and co-ordination with law enforcement are necessary to allow for early detection of disinformation and cybersecurity threats (International IDEA, 2019^[17]). The global nature of these challenges calls for multilateral initiatives (Schmitt, 2021^[19]), including strengthened international judicial co-operation, global awareness campaigns and reinforced international remedies. Many of these issues will be picked up in Pillar 1 of the Reinforcing Democracy Initiative (see Chapter 1).

2.2.3. Averting undue influence in public-decision making processes: promoting transparency and integrity in lobbying and other policy influence processes

Lobbying in all its forms, including advocacy and other ways of influencing governments, is a natural and normal part of the democratic process. It gives different companies and organisations access to the development of public policies and opportunities to share their expertise, legitimate needs and evidence about policy problems and how to address them. This information from a variety of interests helps policy makers understand options and trade-offs, and can ultimately lead to better policies. Yet, depending on how they are conducted, lobbying activities can lead to negative policy outcomes and greatly erode trust in government. At times, there may be monopoly of influence by those that are financially and politically powerful, at the expense of those with fewer resources and connections. Evidence has also shown that the design, implementation, execution and evaluation of public policies and regulations administered by public officials may be unduly influenced through the provision of biased or deceitful evidence or data, as well as by manipulating public opinion or by using other practices intended to manipulate the decisions of public officials (OECD, 2021^[12]). Public policies that are misinformed and respond only to the needs of a special interest group result in suboptimal policies.

Evidence regularly emerges showing that the abuse of lobbying practices can result in negative policy outcomes, for example inaction on climate policies. Deceitful, misleading and non-transparent lobbying, as well as revolving-door practices that led to deregulation of high-risk activities, were also partly at the origin of the 2008 financial crisis. The COVID-19 crisis, marked by the rapid adoption of stimulus packages, often through urgent and extraordinary procedures, has exacerbated these risks. Lessons learned from

previous shock events show that lobbying by powerful interests with closer connections to policy makers can lead to biased stimulus packages and responses, negatively affecting the resilience of societies and economies in the longer term.

At the OECD level, 22 countries have now adopted a tool to provide transparency over lobbying (OECD, 2021^[12]). A majority of these countries have public online registries where lobbyists and/or public officials disclose information on their interactions. Eighteen countries (Australia, Austria, Belgium, Canada, Chile, France, Germany, Ireland, Iceland, Israel, Italy, Lithuania, Mexico, Netherlands, Poland, Slovenia, the United Kingdom, and the United States) and the European Union have voluntary or mandatory public registries in place where lobbyists disclose information on their activities. An alternative, and sometimes additional approach taken, is to place the onus on the public officials who are being targeted by lobbying activities, by requiring them to disclose information on their meetings with lobbyists through “open agendas” (Lithuania, Spain, United Kingdom and the EU) and/or by requiring public officials to disclose their meetings with lobbyists to their superiors (Hungary, Latvia, Lithuania, Slovenia). Lastly, in addition to lobbying registers and open agendas, other countries provide transparency on lobbying by mandating *ex post* disclosures of how decisions were made (Iceland, Luxembourg, Poland and Latvia).

Yet, even when transparency exists, information disclosed is usually not sufficient to allow for public scrutiny. Countries that publish information through lobbying registries and open agendas disclose some information identifying who is behind lobbying activities, but not as much on which decisions and public organisations are specifically targeted, as well as how lobbying is being conducted. To ensure greater transparency over which specific interests lobbied key decision-making processes, governments can consider several policy options. First, governments with existing lobbying registers can scale up lobbying disclosure requirements to include information on the objective of lobbying activities, its beneficiaries, the targeted decisions and the types of practices used, including the use of social media as a lobbying tool. Second, another approach is to require key public officials involved in decision-making processes (e.g., ministers and cabinet members, heads of regulatory agencies) to disclose information on their meetings with lobbyists through open agendas. Lastly, governments could mandate *ex post* disclosures of how legislative or regulatory decision were made. The information disclosed can be a table or a document listing the identity of stakeholders met, public officials involved, the object and outcome of their meetings, as well as an assessment of how the inputs received were factored into the final decision.

In addition, today’s 21st century of information overload, with the rise of social media, has made the lobbying phenomenon more complex than ever before. The avenues by which stakeholders engage with governments encompass a wide range of practices and actors, including the increased use of information activities, grassroots mobilisation and social media to shape policy debates, inform or persuade members of the public to put pressure on policy makers and indirectly influence key democratic processes.

Lastly, lobbyists (whether in-house or as part of a lobbying association) require clear standards and guidelines that clarify the expected rules and behaviour for engaging with public officials. Where adequate governance standards are lacking within companies to address lobbying-related risks, lobbying activities can have serious reputational repercussions and raise concerns for citizens and key stakeholders such as investors and shareholders. Investors increasingly see the lack of transparency over companies’ lobbying and political engagements, and its inconsistencies with their positioning on environmental and societal issues, as an investment risk (Principles for Responsible Investment, 2018^[20]). In recent years, pressure from investors and leading asset managers to better take into account corporate lobbying and political financing as a risk to the environmental, social and governance (ESG) performance of companies has had a key influence on companies’ business strategies (OECD/PRI, 2022^[21]). Countries could therefore consider encouraging companies and organisations to establish standards that specify how to ensure integrity in these methods of influence. Standards could cover issues such as ensuring accuracy and plurality of views, promoting transparency in the funding of research organisations and think tanks, and managing and preventing conflicts of interest in the research process. Also, setting clear standards for companies in the provision of data and evidence could help ensure integrity in decision making. These

standards could also specify voluntary disclosures that may involve social responsibility considerations regarding a company's involvement in public policy making and lobbying.

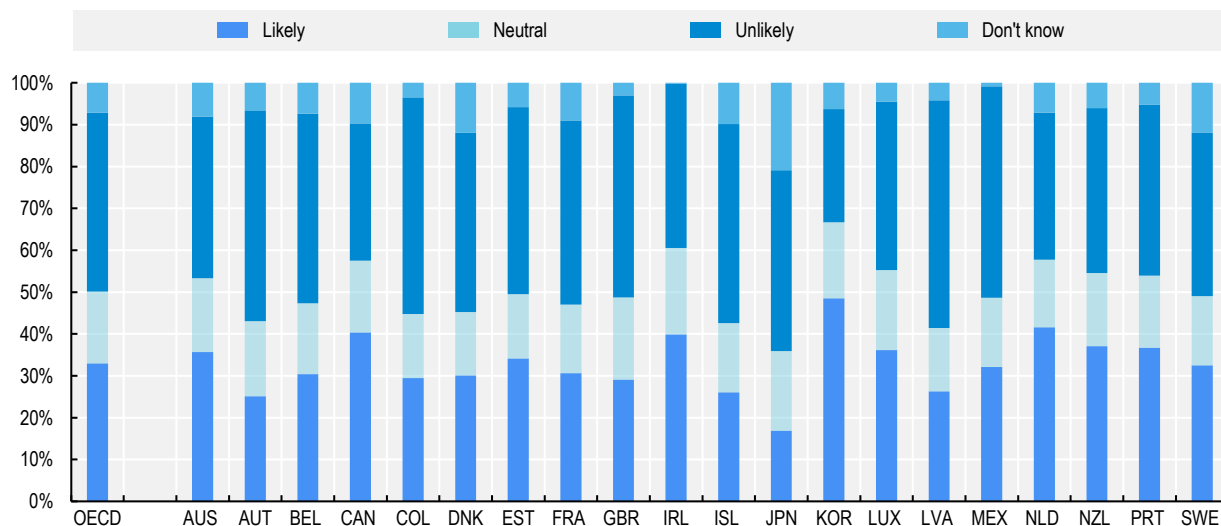
This new context calls for a more comprehensive consideration of lobbying activities, to include the whole spectrum of practices, risks and options that countries can use and have used for mitigation. The Public Governance Committee (PGC), through the Working Party of Senior Public Integrity Officials (SPIO) is in the process of revising the OECD Recommendation on Principles for Transparency and Integrity in Lobbying (OECD, 2010^[22]), to reflect the evolving lobbying and influence landscape, and to guide efforts by all actors, across government, business and civil society, in reinforcing the frameworks for transparency and integrity in policy making.

2.2.4. Inclusive and well-governed stakeholder participation in rule making

Stakeholder participation is one traditional way in which governments engage individual citizens, associations, and businesses in the policy-making process outside of the electoral cycle. It is increasingly perceived not only as fundamental for understanding stakeholders' needs but also for improving trust in government. Analysis from the OECD Trust Survey shows that the perception of meaningful engagement opportunities and the ability to have a voice on political matters are strongly associated with levels of trust in local and national governments (OECD, 2022^[21]). In addition, the Survey finds that less than a third of respondents are confident that the government would use inputs given in a public consultation (Figure 2.3). It is recognised that making decisions without stakeholder engagement may lead to confrontation, dispute, disruption, boycott, distrust and public dissatisfaction (Rowe and Frewer, 2005^[23]). Formal, written, public consultation is the most common form of consultation in the policy-making process. Consultation makes preliminary analysis available for parliamentary and public scrutiny and allows additional evidence to be sought from a range of interested parties to inform the development of the policy or its implementation. Stakeholder participation across different institutions in government may take different forms. For example, legislatures traditionally hold hearings or inquiries where they can take evidence from a range of stakeholders, and individual legislators engage with citizens through constituent services. New Zealand has been exploring how to consistently lift community engagement in recent years, particularly in the areas of policy development. An example of this is the introduction of an engagement framework based on the International Association for Public Participation (IAP2) guidance as part of the Royal Commission of Inquiry into the terrorist attack on Christchurch masjidain on 15 March 2019. A community of practice and reporting on the use of the framework has been established to capture lessons learnt and ensure continuous improvement.

Figure 2.3. Very few think that the government would adopt views expressed in a public consultation

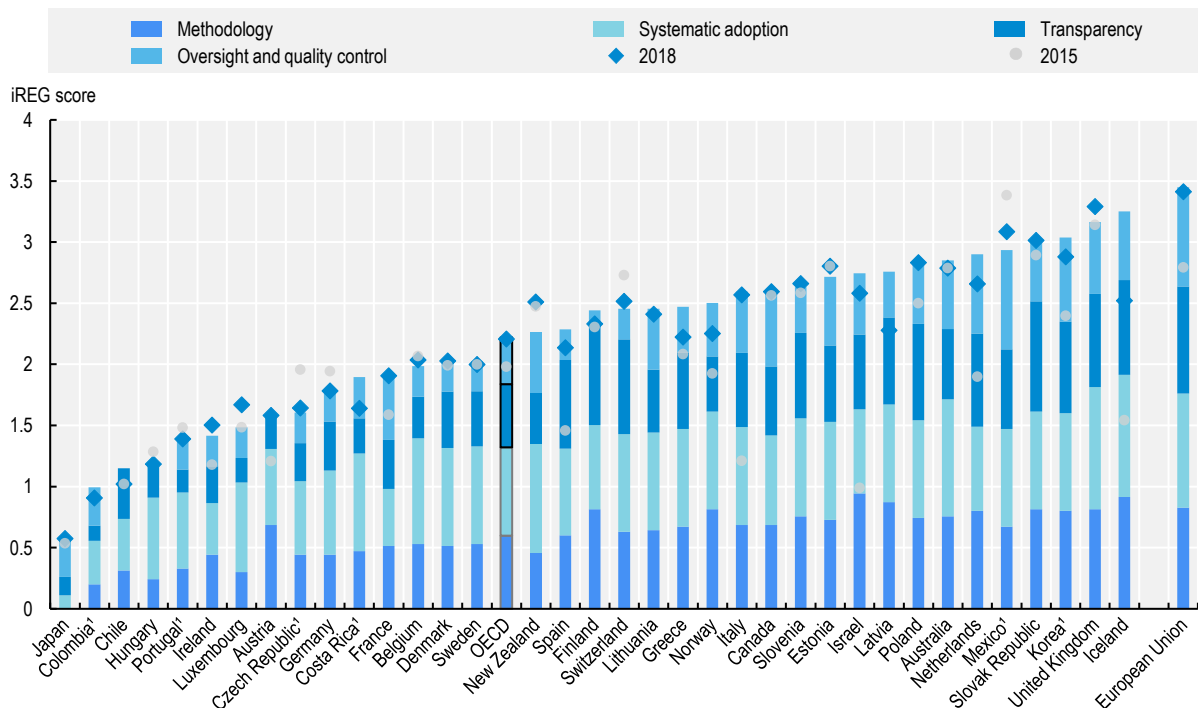
Share of respondents who indicate different levels of perceived likelihood that a government would adopt opinions expressed in a public consultation (on a 0-10 scale), 2021



Note: Figure presents the within-country distributions of responses to the question “If you participate in a public consultation on reforming a major policy area (e.g. taxation, healthcare, environmental protection), how likely or unlikely do you think it is that the government would adopt the opinions expressed in the public consultation?” The “likely” proportion is the aggregation of responses from 6-10 on the scale; “neutral” is equal to a response of 5; “unlikely” is the aggregation of responses from 0-4; and “Don't know” was a separate answer choice. “OECD” presents the unweighted average across countries. In Mexico, the question was formulated in a slightly different way. Finland and Norway are excluded from the figure as the data are not available. For more detailed information please find the survey method document at <http://oe.cd/trust>.

Source: OECD (2022^[2]), *Building Trust to Reinforce Democracy: Main Findings from the 2021 OECD Survey on Drivers of Trust in Public Institutions*, Building Trust in Public Institutions, OECD Publishing, Paris, <https://doi.org/10.1787/b407f99c-en>.

Effective stakeholder participation is also important in the making, implementing, and reviewing of rules and regulations. The central objective of regulatory policy – ensuring that regulations are designed and implemented in the public interest – can only be achieved with help from those subject to regulations (citizens, businesses, social partners, CSOs, public sector organisations, etc.). Citizens can offer valuable inputs on the feasibility and practical implications of regulations. Apart from potentially improving regulatory design, stakeholder engagement also can improve regulatory “outputs” such as improved compliance rates, desired behavioural changes in market participants, and improved trust in government. Moreover, improving regulations has the potential to strengthening economic performance by fostering a more competitive and inclusive society. The OECD Recommendation on Regulatory Policy and Governance (OECD, 2012^[24]) calls on governments to follow principles of open government, including transparency and participation in the regulatory process to ensure that regulations serve the public interest and are informed by the legitimate needs of those interested in and affected by regulation. Still, examples where decisions are made without the involvement of those affected are still too common. The OECD Indicators of Regulatory Quality show that most OECD countries have systematically adopted stakeholder engagement practices and require that stakeholders be consulted (Figure 2.4) especially in the process of developing new regulations. However, OECD countries do not yet systematically allow for the participation of stakeholders in the development of regulations throughout the policy cycle. Most OECD countries consult with stakeholders on draft proposals, but only a few consult systematically at an early stage, a situation that has not improved in the last few years. When it comes to the decision maker’s table, centres of government play a critical role in determining the extent of stakeholder involvement (Box 2.1).

Figure 2.4. Composite indicators: Stakeholder engagement in developing primary laws, 2021

Notes: Data for 2014 are based on the 34 countries that were OECD members in 2014 and the European Union. Data for 2017 and 2021 include Colombia, Costa Rica, Latvia and Lithuania. The more regulatory practices as advocated in the 2012 Recommendation a country has implemented, the higher its iREG score. The indicator only covers practices in the executive. This figure therefore excludes the United States where all primary laws are initiated by Congress.

1. In the majority of OECD countries, most primary laws are initiated by the executive, except for Colombia, Costa Rica, Czech Republic, Korea, Mexico, and Portugal, where a higher share of primary laws are initiated by the legislature.

Due to a change in the political system during the survey period affecting the processes for developing laws, composite indicators for Türkiye are not available for stakeholder engagement in developing regulations and RIA for primary laws.

Source: Indicators of Regulatory Policy and Governance Surveys 2014, 2017 and 2021.

Box 2.1. Role of the centre of government

Electoral mandates are not only about meeting campaign and coalition agreement promises – promissory representation – but also about making complex policy choices. Centres of government (CoGs) are uniquely suited to ensure that government decision-making processes are more inclusive and representative. This was most recently demonstrated by the increase in co-ordination instances (20 out of 26, 77%), and number of stakeholders participating in co-ordination meetings called by the CoG (19 out of 26, 73%) in several OECD countries. Among the countries that increased stakeholder participation mechanisms, almost all expected to keep this change during the economic recovery (OECD, 2021^[1]).

Centres of government often produce and disseminate guidance to policy makers concerning consultations and community engagement. CoGs therefore have the ability to improve the quality of these efforts and the overall inclusive nature of decision-making processes. For example, Canada's Privy Council Office for instance offers a wide range of public engagement tools and resources which include: public engagement principles, guidance on how to analyse consultation data, activities to

design engagement experiences, case studies to learn from and a community of practice (Government of Canada, 2021^[25]). Likewise, as part of the Policy Project's Policy Methods Toolbox, New Zealand's Department of Prime Minister and Cabinet created 6 community engagement resources for policy makers (New Zealand Department of the Prime Minister and Cabinet, 2021^[26]). Furthermore, the UK Cabinet Office has published a revised set of government consultation principles, which give guidance to government departments on conducting stakeholder consultations (Government of the United Kingdom - Cabinet Office, 2018^[27]).

Centres of government are also responsible for ensuring items presented to cabinet are aligned with certain standards of quality, including on stakeholder consultation. In Ireland and Norway, the centre of government has issued various guidelines with standards and good practices for policy development and stakeholder consultations. Governments can take advantage of this review function to ensure the decision-making process is sufficiently inclusive: 43% of centres of government verify the item has been subject to an "adequate consultation process", and 51% have the authority to return items to line ministries if the consultation process is inadequate (OECD, 2018^[28]).

Source: (OECD, 2021^[1]), (Government of Canada, 2021^[25]), (New Zealand Department of the Prime Minister and Cabinet, 2021^[26]), (Government of the United Kingdom - Cabinet Office, 2018^[27]), (OECD, 2018^[28]).

To avoid losses of trust and legitimacy, regulators need to be honest and transparent about the limits of regulation. This can be achieved through the adoption of comprehensive risk communication strategies, which clearly communicate to the affected subjects what the risks are, the probability of things going wrong and the magnitude of potential impacts (with and without government regulations). Governments also need to be aware of who will be affected by regulations and how. Any groups of stakeholders that might be disproportionately affected should be identified and consulted with. Preferably, stakeholders should be mapped already at the inception of the process, before the regulations are being drafted. This also might mean actively reaching out to those who might not have the necessary resources for getting engaged or might not be sufficiently informed on the opportunities to be consulted (OECD, 2017^[29]).

Box 2.2. Ensuring participation in the development of infrastructure projects

The OECD Recommendation on the Governance of Infrastructure (OECD, 2020^[30]) provides guidance on how governments can facilitate the participation of users and impacted communities during the relevant phases of the project life cycle.

It is key to ensure that all affected stakeholders and citizens have an equal chance to shape the infrastructure solutions that directly affect their lives. For example, meaningful stakeholder engagement, is a powerful platform to articulate women's infrastructure preferences and claims (OECD, forthcoming^[31]). It also provides an opportunity for women to get together to discuss their interests, interact with actors in positions of power and act collectively to seek solutions (UN Women, 2020^[32]). Governments can also diversify the methods for engaging women and vulnerable populations in order to ensure more balanced stakeholder consultation processes on infrastructure questions. Equal participation of women and men in on-going community-based consultation meetings or committees, consultations with gender equality specialists, gender focus group discussions and workshops are some examples of tools that can promote a more participatory stakeholder engagement in infrastructure planning, decision making and implementation (UN Women/UNOPS, 2019^[33]; OECD, forthcoming^[31]).

Source: (OECD, 2017^[29]; OECD, 2020^[30]).

2.2.5. Taking the next step from consultation to engagement: Participatory policy making and service design and delivery

Fostering more effective and inclusive citizen participation is at the heart of the global open government movement, which has shaped the international discourse on fostering better government-citizen relations for the past decade. One of its main goals is to mainstream participation in all policy areas and at all levels of government. In close collaboration with the Open Government Partnership (Box 2.3), the OECD has been at the forefront of the global open government agenda, including through its Recommendation on Open Government (OECD, 2017^[31]), which is the first and only internationally recognised legal instrument in the field. Today, 78 countries in the world that are members of the Open Government Partnership (including 75% of OECD Members) are implementing Open Government Action Plans co-created with citizens and stakeholders that have resulted in numerous innovative participatory initiatives (OGP, 2021^[34]).

Box 2.3. The Open Government Partnership (OGP)

The Open Government Partnership (OGP) is an international alliance between governments and civil society to promote open government. Launched in 2011 by 8 countries, the OGP currently consists of more than 78 countries around the world, including a growing number of local governments, as well as numerous civil society organisations.

Upon joining this partnership, governments work together with civil society organisations to develop and implement two-year action plans to promote open government topics (in recent years, some countries such as Spain have started implementing their first four-year action plans). These action plans are co-created between public institutions and non-public stakeholders, such as civil society organisations, and can cover reforms (also called ‘commitments’) on any aspect of open government, including: access to information, open data, open innovation, and beneficial ownership, to name but a few. Each commitment includes concrete milestones, or intermediary outputs. In addition to a periodical self-assessment conducted by the government, OGP’s Independent Reporting Mechanism (IRM) regularly assesses the implementation of commitments contained in the action plans. In the framework of the IRM, independent researchers review the progress undertaken and their impact for openness against pre-set criteria. Typically, the whole OGP process is governed by a common body, a country’s Multistakeholder Forum.

In order to be eligible to join the OGP, a government must meet the following criteria: 1) ensure fiscal transparency through the timely publication of essential budget documents; 2) have an access-to-information law that guarantees the public’s right to information and access to government data; 3) have rules that require public disclosure of income and assets for elected and senior public officials; and 4) ensure openness to citizen participation and engagement in policy making and governance, including basic protections for civil liberties.

Source: OGP (n.d.), About Open Government Partnership, <https://www.opengovpartnership.org/about/>; OGP (n.d), Independent Reporting Mechanism, <https://www.opengovpartnership.org/people/independent-reporting-mechanism-irm/>

Proactive transparency, public consultations, increased use of referenda, as well as multiple kinds of participation initiatives have become common practice across OECD countries. For example, data from the OECD Survey on Open Government (OECD, forthcoming^[35]) shows that 84% of OECD countries have a government-wide online portal to involve citizens and stakeholders, and good practices can be found across the OECD membership such as Portugal’s national participatory budget or Mexico City’s consultation to crowdsource its constitution. The increased uptake of these initiatives has strengthened democracy as they reinforce trust, build civic capacity, and bring public decisions closer in line with what people want. However, they often happen too late in the decision-making process, only reach a tiny

proportion of the population concerned, or do not achieve the intended outcomes and impacts (OECD, 2018^[28]). Moreover, exercises like town hall meetings, petitions, and written consultations are all susceptible to disproportionate influence by political or special interests by their design. They also tend to limit inputs to public *opinion* rather than public *judgement*.

Guidance on when, who and how to consult is therefore critical to making sure that it happens systematically and throughout the policy cycle. The OECD's *Citizen Participation Guidelines* (OECD, forthcoming^[36]) provide specific indications to public authorities about engaging citizens in policy making. These guidelines aid policy makers in understanding the differences in engaging citizens versus other stakeholders, the design considerations to ensure inclusiveness, as well as guidance in defining the issue, the scope for influence, the point in the decision-making process, the most appropriate methodologies and tools, as well as how to follow-up and close the feedback loop. They also include numerous examples of good practices.

Beyond these traditional consultation processes, governments and parliaments are going further to provide more and better opportunities for people to participate in public decision making in between elections. They are experimenting with new forms of open, collaborative public decision making and public service design and delivery. For example, public authorities are increasingly using civic lotteries, a tool used to convene broadly representative groups of people, based on the ancient practice of random selection (sortition), to tackle public policy challenges through citizens' assemblies and juries (OECD, 2020^[37]). Representative deliberative processes like citizens' assemblies have numerous benefits. They broaden participation to a much wider, more diverse group of people. They guard against the outsize influence of organised interest groups and lobbies. By giving people time and resources to hear from experts and stakeholders, deliberate, and formulate collective recommendations, these processes create the conditions for everyday people to grapple with complexity and exercise public judgement. Selection by civic lottery means that the privilege of representation has been extended to a much larger and more diverse group of people than through elections alone. Members of citizens' assemblies and juries have a mandate to act in the name of the public good, putting themselves in the shoes of others, rather than to merely give their personal point of view. These design features explain why citizens' assemblies and other representative deliberative processes are considered as new forms of representation, as well as new forms of participation, by notable political theorists like H  l  ne Landemore and Mark Warren. And they have shown to be effective tools for solving complex policy problems and enhancing public trust. Recently, parliamentary committees are also increasingly involving citizens more directly in their functioning through the use of deliberative processes like citizens' assemblies and citizens' juries (OECD, 2021^[38]).

Box 2.4. Deliberative democracy

What is deliberative democracy?

Deliberative democracy is the wider political theory that claims that political decisions should be a result of fair and reasonable discussion among citizens.

What is a representative deliberative process?

Deliberative democracy is most often implemented by initiating representative deliberative processes. These are processes in which a broadly representative body of people weighs evidence, deliberates to find common ground, and develops detailed recommendations on policy issues for public authorities. Examples of such processes include citizens' juries and citizens' assemblies.

Source: OECD (2020^[37]), *Innovative Citizen Participation and New Democratic Institutions: Catching the Deliberative Wave*, OECD Publishing, Paris, <https://doi.org/10.1787/339306da-en>.

One notable way in which democracy has been evolving is the move towards permanent forms of deliberative democracy that create spaces for everyday people to exercise their civic rights and duties beyond voting. These permanent citizens' councils function alongside parliament, bringing everyday people into the heart of public decisions in an ongoing way, as a complement to representative democratic institutions (OECD, 2021^[38]). Rather than requiring political will to initiate an *ad hoc* process, these institutional changes have ensured that public participation and deliberation are part of the 'normal' public decision-making process. These new institutions are not a replacement, but a complement to the existing democratic architecture, making it richer and more inclusive. They improve decision making by bringing public judgement to democracy on an ongoing basis. There is not just one way to approach the question of institutionalisation, as the OECD policy paper *Eight Ways to Institutionalise Deliberative Democracy* (OECD, 2021^[38]) highlights by explaining examples of eight different models that have been applied in different countries and at all levels of government. The *OECD's Evaluation Guidelines for Representative Deliberative Processes* (OECD, 2021^[39]) also have additional recommendations for how to evaluate institutionalised forms of deliberative democracy.

Box 2.5. New mechanisms for public decision making

Engaging young people

Mechanisms and channels to engage youth in policy making include affiliating advisory youth councils to government or specific ministries (as happens in 53% of OECD countries) or youth councils at national and sub-national levels (as happens in 78% and 88% of OECD countries respectively).

In Denmark, the Ministry of Environment and Food has established a Youth Climate Council advising the Ministry in the areas of climate change, environmental protection, farming and food production.

In New Zealand, the Ministry of Education has created an advisory group composed of 12 members aged 14 to 18, which are expected to inform the Ministry on the impact of activities and measures adopted within the education field as well as share their insights about education policies.

Since 2016, in France the Conseil d'orientation des politiques de Jeunesse (CoJ) brings together representatives from ministries and youth organisations to advise the Prime Minister on legislative and regulatory drafts on issues relating to youth.

Spain has also recently adopted a Youth Strategy 2022-2030, and the views of children and young people are sought in matters which impact young people's lives through the Spanish State Council for the Participation of Children and Adolescents.

Use of deliberative processes by parliamentary committees

The Scottish Parliament has commissioned multiple Citizens' Juries since 2019: on Land Management and the Natural Environment (21 randomly selected citizens) and on Primary Care (35 randomly selected citizens took part in three panels). Recommendations that members of these representative deliberative processes developed then informed land management and the natural environment inquiry and fed into and the primary care inquiry.

In June 2019, six Select Committees of the UK House of Commons jointly called a Citizens' Assembly on how the UK should tackle climate change (Climate Assembly UK, 2019^[40]). Citizens' Assembly took place from January to March 2020 and brought together 108 randomly selected citizens from all walks of life. The UK Government has since used the Climate Assembly's recommendations in its report to inform its Net Zero Strategy.

In 2016-2017, the Parliament of Luxembourg initiated a deliberative poll, where 60 randomly selected citizens in six panels have deliberated over the proposed constitutional reforms. Their recommendations were presented to the Parliamentary Committee on Constitutional Review to help inform their decisions.

Sources: (OECD, 2020^[41]), (Université du Luxembourg, 2016^[42]) (Elstub and Carrick, 2020^[43]) and (Climate Assembly UK, 2019^[40])

The “deliberative wave” is gaining momentum as more and more public authorities are turning towards deliberative democracy as a complement that strengthens representative democracy. The OECD Database of Representative and Deliberative Processes and Institutions includes 577 examples of such processes being used across OECD Member countries at all levels of government, to address complex and wide-ranging policy issues regarding climate change, infrastructure decisions, strategic and public planning, amongst others (OECD, 2020^[37]). For example, Ireland’s numerous citizens’ assemblies since 2016 have provided concrete recommendations that have formed the basis for constitutional changes on same-sex marriage, abortion, divorce, and blasphemy. The assembly’s recommendations formed the basis for proposed legislative changes that informed the public’s vote in referendums on each of these issues. The Irish citizens’ assembly on climate’s recommendations were also largely adapted and referenced in the 2021 Climate Act.⁸

The large number of deliberative democracy examples provides a solid evidence base of how they need to be designed to be useful for policy makers and trusted by the public. The extensive analysis of these examples forms the basis of the *OECD’s Good Practice Principles on Deliberative Processes* (OECD, 2020^[37]), which provide guidance to policy makers and practitioners for ensuring high quality, impactful, and trustworthy processes. The *OECD’s Evaluation Guidelines for Representative Deliberative Processes* (OECD, 2021^[39]) further operationalise these principles and help ensure that high standards can be met. While it is a positive development that more and more governments are creating the conditions for everyday people to play a meaningful role in policy making, it is important that when these processes are designed and implemented, that they follow evidence-based principles of good practice to ensure they are legitimate, accountable, and trustworthy practices.

There also needs to be further consideration for how the follow-up of the recommendations from deliberative processes will happen from the very outset. Expectations need to be clear for citizens as well as for the role that legislatures and governments will play, and who holds responsibility and accountability for the response. Further analysis about how these new institutions are functioning and reflection about other permanent forms of participatory and deliberative democracy are needed. Additional future scenarios should include digital or hybrid settings for these deliberative processes, as well as the inclusion of emerging technologies to support public deliberation. Successful institutionalisation requires appropriate investment of resources, especially so that it is possible to fulfil the aspirations of equality and inclusivity. Breaking down barriers to participation also involves paying people for their time, as well as providing travel and caring expenses or services. Another main challenge is that this permanent transformation and institution building requires an accompanying shift in the mind set of policy makers and public servants about their role and their relationship with citizens. This can be facilitated by the organisation of ad hoc capacity building activities and the inclusion of these principles and practices in the curricula of national schools of public administration. As is the case with representative democracy, it will also be necessary to ensure that deliberative democracy mechanisms meet integrity and quality requirements set for other democratic institutions, including lobby regulations, conflict of interest rules and possibly other standards, as well as has mechanisms and processes in place to ensure solid discussions that prevent excessive and extreme outcomes.

The move towards new participatory mechanisms has also extended to traditional public governance tools such as budgeting, through participatory budgeting initiatives, and public procurement (Box 2.6). The

former tends to be mainly at the local level – where they are arguably most effective - and to be applied to only a very limited portion of funds. Portugal, which provides a rare example of participatory budgeting at the national level, has allowed citizens to decide on specific investment proposals (initially for a total of EUR 3 million in 2017 and then for a total of EUR 5 million out of around EUR 91 billion in 2018). Still, the use of these mechanisms needs to pay attention to the potential to bypass the checks and balances provided by parliaments and the ease with which organised groups can sometimes capture these processes to serve their own interests (OECD, 2019^[44]). Public procurement can be also used as a strategic policy tool to achieve stronger and more inclusive democratic governance through citizen participation. The OECD Recommendation on Public Procurement (OECD, 2015^[45]) calls upon countries to foster transparent and effective stakeholder participation through inclusive and open policy-making processes and participation in public procurement processes.

Box 2.6. Citizen and stakeholder participation in the budget process and public procurement

The budget is government's most comprehensive policy document, where policy objectives are reconciled and implemented in concrete terms. It should allow citizens and their representatives to understand government priorities and provide input on policy choices, to track implementation, and to hold government to account when objectives are not being met. The parliament may engage with citizens and civil society organisations at different stages of the budget process.

A growing trend for parliaments in OECD countries to hold a pre-budget debate with citizens and civil society where they may signal budget priorities to government. Of those parliaments holding pre-budget debates, about half send the results of the pre-budget debate as a report to the government (OECD, 2019^[44]).

The Canadian Parliament's Finance Committee holds a pre-budget consultation in Ottawa as well as in different areas across the country. Any person or group is eligible to participate in the public consultation process in person or by written submission. The results of the process are published online. At the other end of the budget cycle parliaments can also involve citizens in their scrutiny of the annual report.

At the other end of the budget cycle, the Dutch Parliament's V-100 brings together 100 participants from civil society to ask questions on ministries' annual reports for the previous budget year. Citizens are selected by the ProDemos, Centre for Democracy and the Rule of Law. The Parliament is then able to use the work of citizens participating in V100 during the debate on Accountability Day when the Minister of Finance presents the Central Government's annual financial report to the House of Representatives.

Participation in public procurement process can take many forms. These include consultations for reforming the public procurement system including its legal framework, consultations on citizen's needs / procurement plans, and participation in overseeing individual procurement processes (OECD, 2015^[45]). A number of countries provide examples of this practice, for example, in Mexico social witnesses (*testigos sociales*) are required to participate in all stages of the federal public procurement procedures above certain thresholds as a way to promote public scrutiny and citizen participation. In Peru a citizen control mechanism (*Monitores Ciudadanos de Control*) allows citizens to visit construction sites at the beginning, during, and/or completion of public works to monitor the construction progress. Colombia's anti-corruption mobile application "*Elefantes Blancos*" promotes citizen control of white elephant projects (neglected, abandoned or overbilled public works projects) allowing them to report projects and follow up on case investigations. These participation mechanisms contribute not only to ensuring the transparency and credibility of the public procurement system but also reinforcing democratic governance (OECD, 2015^[45]).

Future scenarios of participatory democracy should include resilient physical and digital public spaces as core features. Many cities have built community centres that cater to youth needs, from mental health to employment counselling and advice, and provide a physical place outside home and school to congregate, for instance the *Maison de la jeunesse* in Paris. Similarly in Athens, the city transformed schools after hours into community spaces at the height of their refugee crisis to help connect newcomers to the city's civic and social fabric. On the digital front, beyond the numerous digital tools available to consult and engage citizens or the use of interactive technologies and digital channels such as social media, future scenarios should prioritise the development of adapted and accessible digital infrastructures that reinforce democracy. This means that as governments transform how they deliver to their citizens (e.g. increased use of data and algorithms), how they enable citizens to elect and interact with their representatives (e.g. electronic voting, virtual meetings), as well as how citizens participate in the public debate and decision making (e.g. social media, hybrid citizens' assemblies) ensuring equal accessibility needs to remain a priority. Technological choices need to be compatible with democratic values such as inclusiveness and equality, and data and technology used in ways that are transparent, ethical and accountable. These considerations will be essential to build trust in the technology, and in the outcomes of all digital democratic processes (see Chapter 5).

Local participatory practices led by local or regional governments can effectively shape, strengthen and deepen inclusive public participation. At the local level, there is a unique opportunity to link and involve citizens, business, CSOs, and community representatives in the policy-making process in a more tangible way. This is why local governments around the world are often the leaders in innovations that aim to ensure government works better, costs less and is more responsive and accountable to local residents (OECD, 2019^[46]). The UK innovation foundation, NESTA, for example, is one of the most prominent pioneers of public and social labs as a means of addressing societal challenges through evidence-based local experiments. Similarly, the [Argentinean Province of Santa Fe](#) established an innovation lab to increase citizen participation through policy co-creation. The local level is also prone to implement more innovative approaches, such as Besaya's Citizens' Jury on Fair and Inclusive Ecological Transition [in Cantabria \(Spain\)](#), or [Bogota's \(Colombia\)](#) permanent Citizen Assembly for urban policies. Recognising the prominent role that local governments play in promoting participatory practices, citizen engagement and innovative and experimental not only helps better responding to citizen's needs, but also enables building people's trust in local government while improving integrity, efficiency and equity of local government operations (OECD, 2019^[46]). Many participatory efforts have a regional dimension but the degree of citizens' engagement and civic participation varies greatly across regions within countries. The OECD Regional Well-being indicators compare the degree of civic engagement across regions, and highlight the significant divides that exist within certain countries. While there is certainly a continuity among the principles, practices and lessons learned between all levels of governments, finding the right level of government for participation and representation to ensure that citizens are not excluded from the political process is essential.

The dynamics of citizen participation at the local level has consequences in terms of actors, processes and impacts that are worth investigating and promoting in their own right. The subnational level is closer to people, both in terms of decision making and in the provision of basic services. Hence, interactions between government and citizens are usually more direct at this level and the potential for citizens to influence and participate in public decisions is higher at the local level, with real consequences both for citizens and public authorities. Countries are integrating this reality into their open government agendas, and slowly moving towards an effective integration of other levels of government and branches of the State. For example, more than 50 local governments have joined the OGP to develop their own action plan and OECD countries like Mexico have established a co-ordination mechanism and guidelines for subnational entities to develop transparency and participatory initiatives. Colombia has been the first OECD country to develop an Open State policy that is exploiting vertical collaborations among administrations to maximise the opportunities citizens have to engage with relevant public offices seamlessly, regardless of their territorial jurisdiction. The OECD Open State framework was developed, among other things, to support

members' efforts to better integrate the promotion of participatory practices across all levels of governments (OECD, 2019^[47]). The framework recognises that the local level has to be a key player in the effective construction of an Open State and proposes a specific approach to openness, designed for the subnational level.

Participatory models can also be used to empower indigenous groups and communities in decision making. In New Zealand, iwi (Māori tribes) hold certain rights and responsibilities alongside the Crown which are recognised in the Treaty of Waitangi. In recent years, New Zealand has been exploring governance models which give effect to these rights and responsibilities and distribute decision making between iwi (or other Māori groups) and the Crown. Some of these are local models, which enable a particular iwi to make decisions about land or assets that it holds customary responsibilities towards. Others are national. For example, Te Mātāwai is an independent statutory entity, made up of representatives of iwi, Māori organisations and the Crown, which leads work to protect, promote and revitalise the Māori language. The use of these models can strengthen the recognition of indigenous groups' rights and interests and enable indigenous values and approaches to be reflected in decision making. In turn, this can enable the exploration of innovative practices, which are more tailored to communities' needs and can achieve better outcomes.

Beyond promoting participation channels and mechanisms, actively seeking citizen's feedback on their experience with public services can help improve service performance and delivery enhancing trust in public institutions. Citizens' satisfaction with public services can affect not only the quality of the services, but the overall stance of citizens on the impact and quality of public institutions more broadly. For instance, the US Transportation Security Administration (TSA) put in place a programme to explore employee and customer experience relying on employee surveys and complaint data to analyse how communication from transportation security officials could help improve customer experience. Similarly, countries such as Australia, France and Norway have set up regular surveys to gauge citizens' satisfaction with public services (Baredes, 2022^[48]).

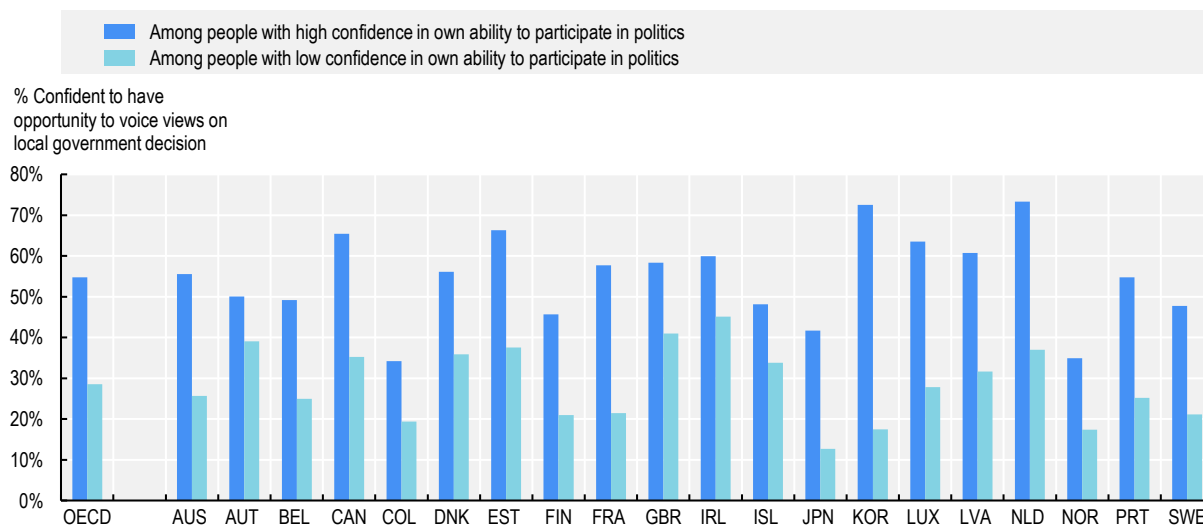
Overall, these innovative forms of participation, from consultation to engagement and deliberation, are promising to renew governance mechanisms in established democracies by mobilising everyday people in addition to traditional stakeholders. A new balance is now to be found with traditional stakeholders that are more experienced with public decision-making processes but increasingly less representative of all segments the population, and with representative institutions, which need to upgrade and modernise to keep pace with this evolution. At the same time, new participatory mechanisms need to embed the full institutional requirements to protect integrity of decision making and allow the search for consensus through solid processes for solid outcomes. Rather than competing, as it has sometimes happened, these two parallel trends should build on each other's strengths with the common goal of increasing the robustness of traditional and new democratic institutions.

2.2.6. Strengthening democratic fitness: Developing people's capacities to participate in public decision making

Beyond healthy institutions and processes, democracy requires people to have the right capacity and capability to actively participate in the democratic system. Research based on an analysis of 30 European countries highlights that an individuals' self-perception of their ability to understand political processes (internal efficacy) has a positive effect on any form of participation (Prats and Meunier, 2021^[49]). The OECD Trust Survey finds that peoples' confidence in their own ability to participate in politics matters for whether they feel that they can voice views on local and national governments' decisions (Figure 2.5).

Figure 2.5. Confidence in own ability to participate in politics matters for whether people feel like they can voice views on local government decisions

Share of people who feel they would be able to voice their views about a local government decision by level of confidence in own ability to participate in politics



Note: Figure presents the average share of respondents who are confident to have the opportunity to voice their views on local governance issues, sorted by respondents' level of confidence in their own ability to participate in politics. The share of respondents who are confident to have the opportunity to voice their views is the aggregation of responses from 6-10 to the question "If a decision affecting your community is to be made by the local government, how likely or unlikely do you think it is that you would have an opportunity to voice your views?"; The group of people with high confidence in their ability to participate in politics consists of responses from 6-10 to the question "On a scale of 0 to 10, where 0 is not at all confident and 10 is completely confident, how confident are you in your own ability to participate in politics?"; the group with low confidence consists of responses from 0-4. In Finland and Norway the question was phrased slightly differently. Mexico is excluded from this figure as data on confidence in own ability to participate in politics are not available. New Zealand is excluded from this figure as the question was phrased substantially differently. For more detailed information please find the survey method document at (<http://oe.cd/trust>).

Source: OECD (2022^[2]), *Building Trust to Reinforce Democracy: Main Findings from the 2021 OECD Survey on Drivers of Trust in Public Institutions*, Building Trust in Public Institutions, OECD Publishing, Paris, <https://doi.org/10.1787/b407f99c-en>.

Formal and non-formal civic and citizenship education in schools and through extra-curricular activities can be instrumental in this regard. A well-functioning democracy relies not only on the good institutional design, but also the knowledge, skills and engagement of its citizens. Empowering citizens to understand their rights and fully participate in their societies is an important element of the mission of schools in all OECD countries (OECD, 2017^[50]). In 2016, the International Civic and Citizenship Education Study (ICCS) (Wolfram Schulz, 2016^[51]) found that greater civic knowledge is related to pupils expected electoral participation as well as a number of other outcomes, such as students giving greater value to behaviours like obedience to the law and respect for other people's opinions, and greater endorsement of gender equality and equal rights for ethnic and racial minorities. In addition, the study found that students' perception of a classroom climate that is open for discussions of political and social issues and students' experiences with engagement at school are also linked to higher civic knowledge and with students' intention to engage in civic life in the future. These findings support the idea that school education can deliver civic outcomes by offering students the possibility of experiencing a democratic climate in a broad sense, rather than simply providing instruction on civic matters more narrowly (OECD, 2017^[50]).

Social economy organisations are also key actors for strengthening society's democratic fitness. The social economy refers to the set of associations, co-operatives, mutual organisations, foundations and social enterprises whose activity is driven by values of solidarity, the primacy of people over capital, and democratic and participative governance (OECD, 2017^[50]). A range of social economy actors specifically

work to increase the capabilities of vulnerable groups and disadvantaged people to participate in public life. Social enterprises, youth associations or co-operatives that enable informal workers to transition to formal labour are examples of social economy organisations that pay a specific attention to empower their members and make sure they get themselves heard in the public debate. Social economy organisations put democracy at the heart of their organisational model, most of them applying the principle “one member, one vote” in their decision-making processes. They also encourage participatory management and inclusive governance to offer a space for discussion to a wide range of stakeholders. Because of the nature of their activities and the way they operate, social economy actors are considered as “vehicles” for active citizenship and participatory democracy (Noya and Clarence, 2007^[52]). They offer spaces for citizens to engage in societal projects and possibly influence the public debate, e.g. through membership or volunteering. These characteristics (internal and external democracy) make them “labs for democracy” where citizens can develop their capacities to participate in the democratic system.

Many services that people were used to requesting, accessing, or buying in the physical world and through analogue channels have been affected by the transformation brought about by the digital age. In terms of democratic participation, the exercise of political rights has benefited from tools such as digital voting, online consultation or participation platforms, and, increasingly, digital identity tools. The Korean government, for example, launched an interactive platform, *Gwanghwamoon 1st Street*, where citizens can suggest policy and service ideas, generate social discussions and monitor how their suggestions have shaped public policies. In considering the opportunities and risks of digital tools on democratic participation, it is important to think about how they can support governments to be more responsive, protective and trustworthy in the way they transform the civic experience of citizens with the State (Welby, 2019^[53]) and secure equal access to all. For people to truly benefit from these changing practices, they need to be equipped with the skills and tools to thrive in the digital age (OECD, 2021^[54]). As more and more governments increase the use of digital technologies for democratic participation, digital skills can to some extent be considered as democratic skills, and it is important for governments and public institutions more broadly to be proactive to avoid exacerbating digital divides.

Finally, outside of institutionally established dialogue on public policies, the role of social media is now crucial for the public debate and has had wide consequences for citizens’ participation with both positive outcomes and major risks of polarisation. Platforms channel user content via algorithms designed to promote engagement and share similar content, which can reinforce users’ existing perceptions rather than challenge them (Smith, 2019^[55]). The resulting creation and proliferation of echo chambers and confirmation bias mechanisms segregate the news and information people see and interact with online, and is a negative corollary to ease and rapid engagement that these platforms enable. Social media may therefore reinforce polarisation caused by other factors, including political disaffection and the impact of media fragmentation (Van Aelst et al., 2017^[56]; DellaVigna and Kaplan, 2007^[57]). Conversely, there is also evidence of the potential for depolarising effects of social media, due to potential exposure to diverse information (Beam, Hutchens and Hmielowski, 2018^[58]; Yarchi, Baden and Kligler-Vilenchik, 2020^[59]) and of the role that social media platforms may play in effectively sharing a wide range of information and potentially building resilience of online civic space (Kubin and von Sikorski, 2021^[60]).

The complexity of the findings, and the power that online information spaces have to affect the public’s willingness and capacity (or lack thereof) to participate in democratic life more broadly, suggest that governments should think both about measures to reduce harms caused by platforms, while at the same time identify ways to strengthen the broader media and information ecosystem.⁹ Indeed, focusing on ensuring the mechanisms by which people obtain, use and share information – including social media platforms, traditional and local news providers, public communication, etc. – contribute positively to an informed public is a prerequisite for effective and informed participation.

As such, governments must consider a wide range of efforts to reduce polarisation and strengthen people’s ability to participate in democratic life, focused on all relevant actors. Governments are well positioned to develop multi-stakeholder efforts to strengthen the information environment and facilitate the diffusion of

reliable news and information. Such initiatives can include, among others, supporting an effective, inclusive and responsive public communication function; building transparent and constructive relationships with platforms and fact-checkers; expanding media and information literacy efforts; supporting fact-based journalism and a diverse and accessible media landscape; and furthering research and knowledge of the challenges and solutions to sustain a healthy information ecosystem. These and other issues are further explored in Chapter 1 and Chapter 5.

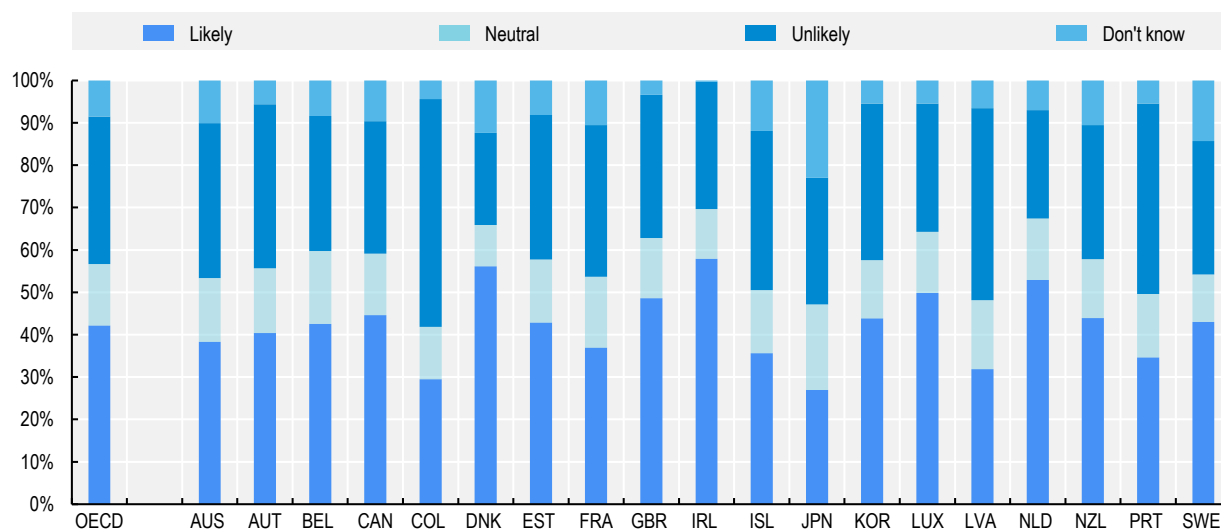
2.2.7. Strengthening people-centred justice for greater participation and trust

The responsiveness of justice systems towards people’s legal needs is a keystone of trust in institutions (Lelièvre, 2017^[61]). The OECD Trust Survey finds that the judiciary and legal systems are among the most trusted public institutions, with 57% of respondents across 22 OECD countries trusting them. Trust in the judiciary is positively correlated cross-nationally with the perceived independence of the courts; only about four in ten (42.1%) respondents, on average, believe that a court in their country would make a decision free from political influence that could negatively influence the government’s image (Figure 2.6).

Conversely, low trust in justice institutions can be particularly damaging as it undermines people’s confidence in the ability to find recourse, including to their claims against contested participation and representation (e.g., due to discrimination) and thus protect their rights. Recent waves of social movements across the globe revealed growing concerns over justice systems’ responsiveness and accessibility. If justice systems are not (seen as) working for the people, the exercise of rights, including civil and political, may be undermined, which could in turn affect people’s confidence in fair outcomes.

Figure 2.6. Only four out of ten respondents believe judiciaries make decisions free of political influence

Share of respondents who indicate different levels of perceived likelihood that a court would make a decision that could negatively affect the government’s image (on a 0-10 scale), 2021



Note: Figure presents the within-country distributions of responses to the question “If a court is about to make a decision that could negatively impact on the government’s image, how likely or unlikely do you think it is that the court would make the decision free from political influence?” The “likely” proportion is the aggregation of responses from 6-10 on the scale; “neutral” is equal to a response of 5; “unlikely” is the aggregation of responses from 0-4; and “Don’t know” was a separate answer choice. “OECD” presents the unweighted average across countries. Finland, Mexico, and Norway are excluded from the figure as the data were not available. For more detailed information please find the survey method document at <http://oe.cd/trust>.

Source: OECD (2022^[2]), *Building Trust to Reinforce Democracy: Main Findings from the 2021 OECD Survey on Drivers of Trust in Public Institutions*, Building Trust in Public Institutions, OECD Publishing, Paris, <https://doi.org/10.1787/b407f99c-en>.

In this context, policy responses aiming at increasing the effectiveness of access to justice and eliminate any bias or discrimination from justice processes and procedures are necessary to bring justice closer to people. Given the key importance of trust for democracy, justice systems can help pave the way for greater participation of the people, by identifying justice bottlenecks and providing solutions for more accessible justice. This calls for placing people's needs at the centre of justice systems, building on empirical data on individual and structural injustices and people's experiences with justice systems (OECD, 2021^[62]). Special attention should be given to vulnerable groups (e.g. women victims of violence in politics or social media and indigenous peoples), which encounter increased barriers in accessing justice and thus, their legal needs regarding participation and representation in public life are often left unmet. A whole-of-government approach, including prevention mechanisms and safeguards is required. For instance, the Swedish Parliament has adopted gender-related provisions governing cyber-bullying and use of social media. Both the Swedish and Luxembourgish parliaments have established sexual harassment provisions and grievance procedures for redress, as well as policy provisions to protect the rights of members of the LGBTI community (OECD, 2019^[63]). Canada has put in place a "Gender-based analysis plus" to ensure that all genders are considered when policies, programmes and legislation are developed. This initiative also looks at other factors such as race, ethnicity, religion, age, and mental or physical disability to help guide future policy decisions, including in the justice sector. This process includes an increased focus on youth with a dedicated funding on a wide range of issues including indigenous youth reconciliation initiatives (OECD, 2020^[41]).

Governments need to foster the legal capacity of people to manage their own matters and have a voice in the design and delivery of services. Legal and civil literacy, resilience mechanisms in post-resolution contexts (i.e. enforce that decision and deliver the outcome for the person) and access to legal information can contribute to further empowering people to participate in and engage with justice systems (OHCHR, 2021^[64]; OECD, 2021^[65]). Furthermore, data ecosystems enabling policy decisions based on people's legal needs, the empowerment of people to seek legal protection and accountability, and participation of people in legal reform processes in the justice arena are crucial to enable a participatory atmosphere within the justice system (Box 2.7). People's engagement with justice systems is therefore a form of participation in democracy more broadly, as it provides opportunities for participation through law enforcement, rights claiming, and expanded protection (Cichowski, 2006^[66]). For example, the European Commission will establish a contact point on electoral rights to further assist citizens in the registration procedures and resolve inquiries in a timely manner (European Commission, 2021^[13]).

Box 2.7. Greater people-government dialogue: Increasing participation in justice systems

People-centred justice data, legal empowerment and legal reform are three key areas fostering people's participation in justice systems and thus, boosting people-government dialogue.

Data: People-centred justice data is designed around three priorities: a) Understand the scope, nature, and impact of justice problems; b) Design and deliver people-centred justice strategies; and c) Measure what works, then learn and adapt (Pathfinders/World Justice Project/OECD, 2021^[67]). The Law and Justice Foundation (Australia) has developed a data ecosystem model to support people-centred justice at jurisdictional and national level, by operationalising data for planning justice services. It does so by a) asking a number of key questions that ideally would be answered by governments and justice organisations seeking to move towards people-centeredness, and then b) identifying possible data sources to be utilised to answer them, including Legal Needs Survey (LNS) and service delivery data (OECD, 2021^[65]). Furthermore, data disaggregation within groups (e.g. age, gender, race, indigeneity and migrant status) is key when collecting the legal and justice needs of people. Such data can help reveal disproportionate experiences and forge strategies to address disparate impacts within particular groups (Chapman, 2021^[68]).

Legal empowerment: The OECD Framework and Good Practice Principles for People-Centred Justice underlines the importance of analysing how to empower people through co-designing and contributing to legal and justice needs identification and solutions, and through increasing capacity, legal literacy and awareness. It proposes a three-way approach: empowerment and participation of (potential) users; justice system employee engagement and empowerment; enhancing legal literacy and awareness (OECD, 2021^[65]). Providing targeting legal information and education is foundational to increase accessibility and boost participation. For example, In the United States, the Elderly Legal Assistance Programme (ELAP) enables Americans 60 years of age and older to receive access to lawyers and paralegals who provide representation in non-criminal legal cases, information on many issues of interest to seniors, and community education to prevent harm that may be caused by not having access to legal assistance. Moreover, a comprehensive legal aid system is core to support the engagement of specific groups of societies with the justice systems and services. Australia, Canada, New Zealand and the United States all have specialised justice services such as legal assistance and aid dedicated to meeting the needs of indigenous persons. Luxembourg is putting forward a reform to its legal aid scheme by introducing a partial legal aid model in which people who do not meet the income criteria for free legal aid, have the possibility of partial coverage. This initiative is aimed at preventing that people with slightly higher income (than the set threshold) do not give up on their right to sue for the costs they have to bear (Luxemburger Wort, 2022^[69]).

Legal reform: In Australia the Law and Justice Foundation's Access to Justice and Legal and justice needs (A2JLN) programme includes "participation in law reform processes" as an indicator of effective access to justice within the programme. The research found that participation in law reform is challenging, complex and time- and resource intensive, scenario that is aggravated for disadvantaged people. It identified three capability areas to be strengthened: functional literacy skills, a basic understanding of the law and law reform system, knowledge of the political process and how it affects law reform. Moreover, it underlined the key role of Civil Society Organisations (CSO) in boosting people's participation (Nheu and McDonald, 2010^[70]).

Source: OECD (2021^[65]), *OECD Framework and Good Practice Principles for People-Centred Justice*, OECD Publishing, Paris, <https://doi.org/10.1787/cdc3bde7-en>.

2.3. Strengthening democratic representation

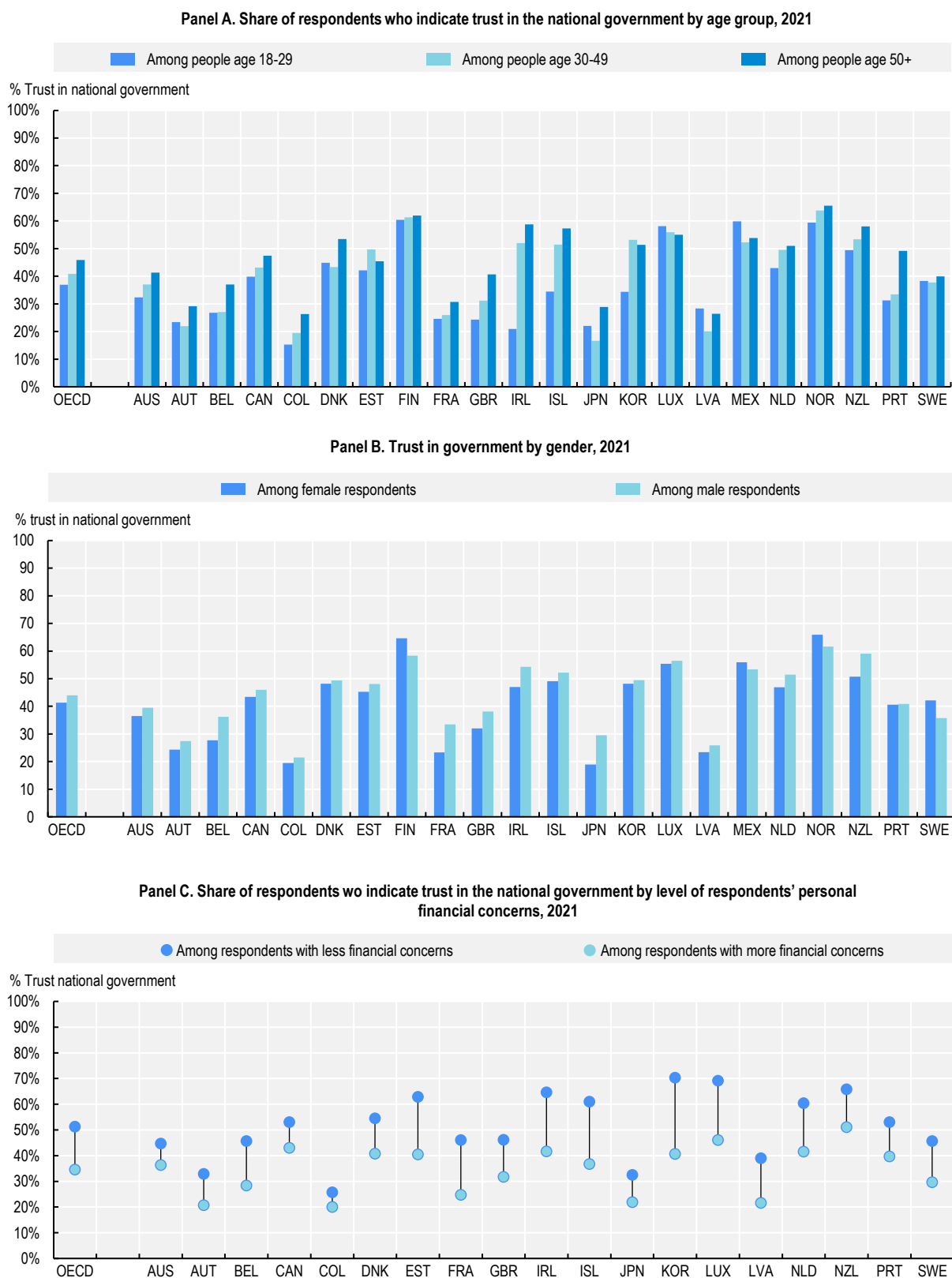
This section introduces key challenges regarding representation, notes some of the good practices taking place in OECD countries, and highlights further areas for transformation. For the purposes of this chapter, representation includes making elected bodies and executives more representative of the population; fostering a diverse, representative, and responsive civil service; strengthening the capacity of decision makers to address representation challenges across government; and addressing other forms of influence on public policy. In this chapter, representation refers to an individual ‘standing in’ for a group in order to perform a public function, in a process “that is open to all on an egalitarian and inclusive basis”. It looks at the issue of representation beyond the traditional electoral context, whereby a democratic representative can be defined as someone who has accessed their position through a selection process defined by equality and inclusiveness (thus not necessarily by election). It has also been taken to mean the way in which governments interpret and implement the will of the people, and in particular, the needs of underrepresented groups.

2.3.1. Making elected bodies and executives more representative of the population

In representative democracies, the primary form of representation in public decision making is derived from elections and political nominations. Diversity in elected bodies and executives is one of the critical factors to ensure that public decisions take into account different perspectives, that policies are informed by a range of experiences and skills, and that policy outcomes are sustainable and responsive to the entire population’s needs (OECD, 2020^[41]). One of the main challenges to credible and effective representation in many countries is that certain demographics and groups of society remain significantly underrepresented in elected bodies. This includes young people, women, minorities, people without higher education, and people on lower incomes.

The 2021 OECD Trust Survey finds that on average 36.9% of people aged 18 to 29 tend to trust their government, while the rate is 45.9% for those aged 50 and over. There is also a gender gap in trust, with women trusting the government 2.7 percentage points less than men, on average, across countries. Perceptions are important, too – trust is considerably lower among people worried about their personal financial circumstances: only 34.6% of the financially precarious group trust the government, compared to 51.2% among people with fewer financial worries (Figure 2.7). Generational, educational, income, gender and regional gaps in trust illustrate that progress can be made in enhancing participation and representation for all.

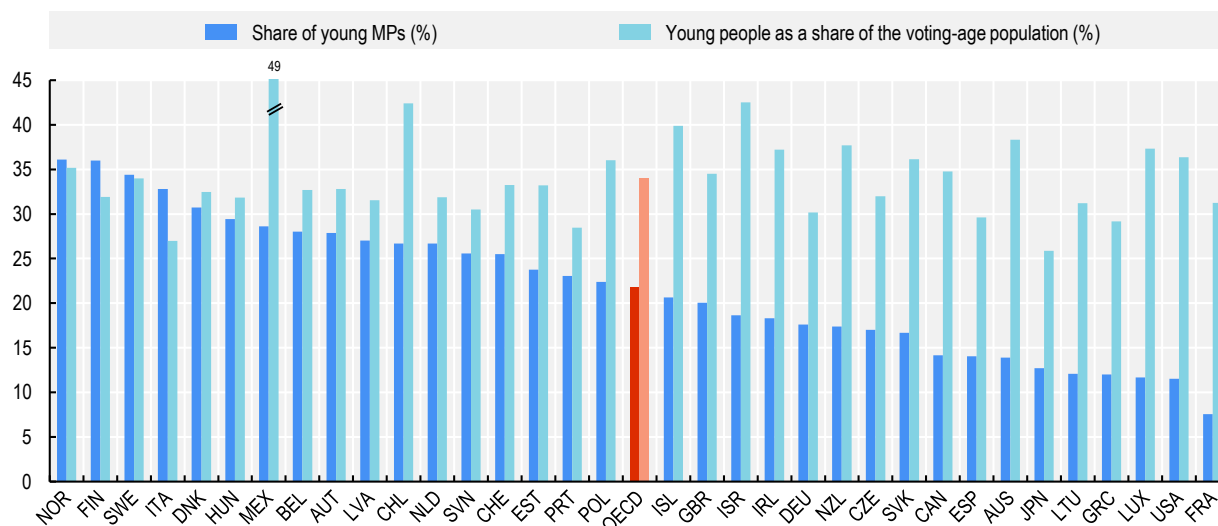
Figure 2.7. Trust in government across demographics and groups of society



Source: OECD (2022_[2]), *Building Trust to Reinforce Democracy: Main Findings from the 2021 OECD Survey on Drivers of Trust in Public Institutions*, Building Trust in Public Institutions, OECD Publishing, Paris, <https://doi.org/10.1787/b407f99c-en>.

Young people, for example, demonstrate strong motivation for addressing challenges such as climate change, rising inequality, and threats to democratic institutions. However, they tend to join political parties and participate in elections less than their older peers and remain underrepresented in public institutions (OECD, 2020^[41]). In 2020, while 20-39 year-olds represented 34% of the voting age population in OECD countries, only 22% of members of parliament (MPs) were under 40 years of age (Figure 2.8).

Figure 2.8. Share of members of parliament aged 40 and under and people aged 20-39 as a share of voting-age population, 2020



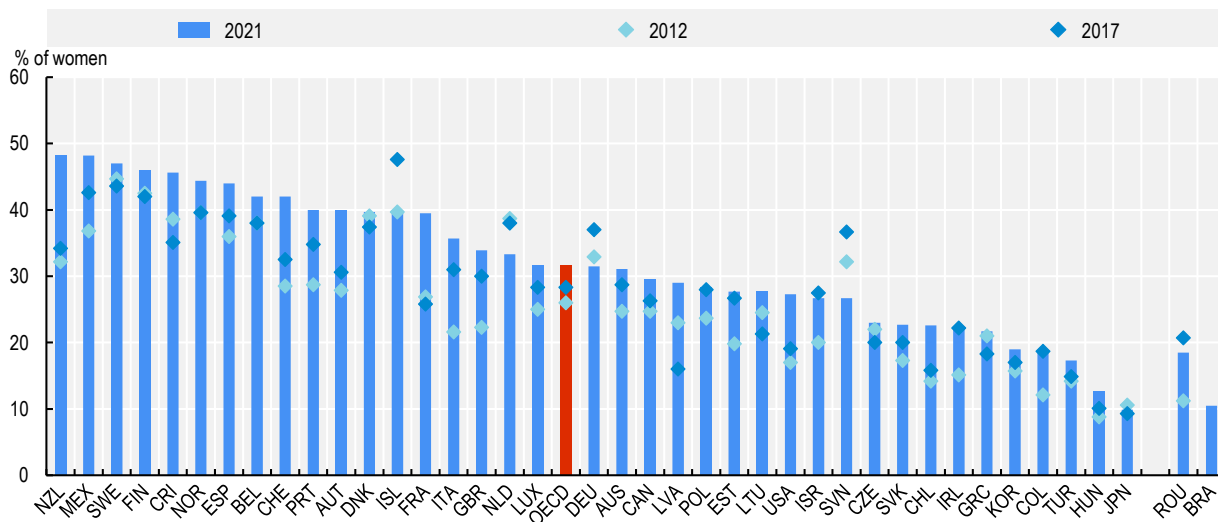
Source: OECD (2021^[11]), *Government at a Glance 2021*, OECD Publishing, Paris, <https://doi.org/10.1787/1c258f55-en>.

Among the barriers faced by young people to becoming elected officials, a lack of time and funding to run a campaign is the issue most frequently raised by 71% of the 65 youth organisations in OECD countries surveyed in the OECD Youth Governance Survey. Limited opportunities in political parties (51%), traditional stereotypes portraying them as inexperienced (47%) and minimum age requirements (22%) are also perceived as barriers (OECD, 2020^[41]). Youth representation in public institutions is especially important as the costs of climate change, population ageing, and COVID-19 debts will fall to a large part on their shoulders. A number of countries have lowered the age requirement for citizens to run for office in order to promote youth representation in public institutions. Some OECD countries, such as Lithuania, Mexico and Sweden, have also adopted regulatory measures or voluntary youth quotas in party lists for national parliaments. Similarly, through its 2020 Youth Policy, the Canadian government has committed to having 75% of Crown corporations include a young person on their board (OECD, 2020^[41]).

At its 2021 meeting at Ministerial level, the OECD Council welcomed the [updated OECD Youth Action Plan](#) and the proposal to develop an OECD Recommendation to promote government-wide strategies to support young people. The OECD Recommendation on Creating Better Opportunities for Young People (OECD, 2022^[71]) includes policy options to remove barriers to and promote the participation of young people in democratic processes and political life, and their representation in public institutions at all levels, including in legislative and executive bodies.

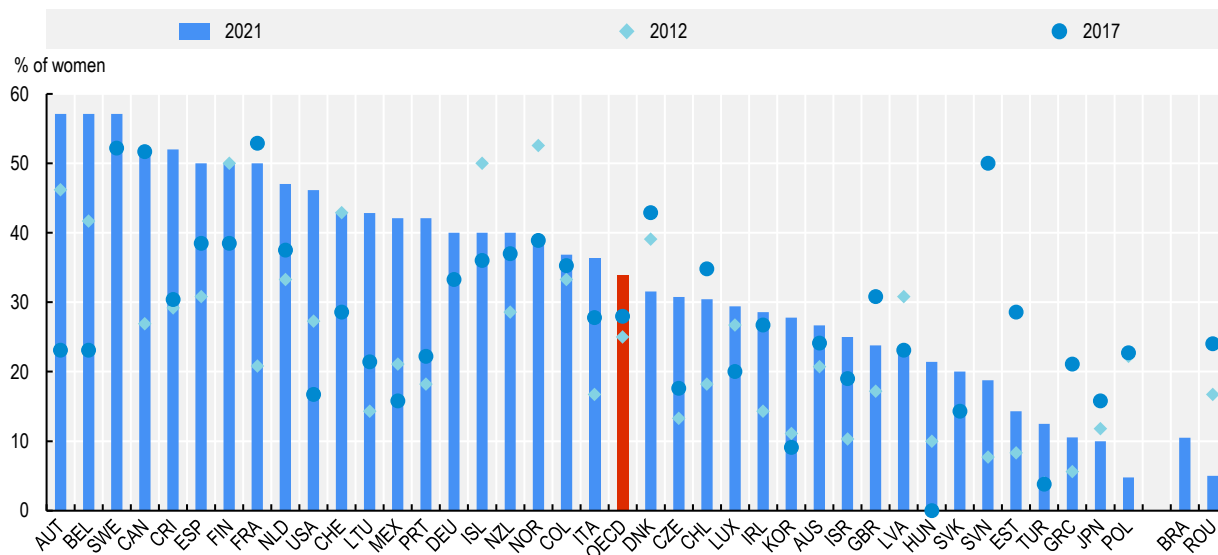
Similarly, women remain underrepresented in political decision making on average. Women's average representation in the lower or unicameral parliamentary houses among OECD countries is 31.6%, while that in ministerial positions is 34% (OECD, 2019^[72]) (Figure 2.9 and Figure 2.10). Some estimates show that women make up only 5% of mayors (National Democratic Institute, 2022^[73]). As emphasised in the OECD Recommendation on Gender Equality in Public Life (OECD, 2015^[74]), it is important to foster gender equality in public decision making to achieve inclusive growth at all levels of government. However, women, like young people and other underrepresented groups, continue to face significant barriers in accessing public decision-making positions, especially elected office. These often include gender stereotypes and roles relegating women to the 'private' sphere of the home and family, limited access to funding and political networking, lack of political party support, and lack of self-confidence (OECD, 2019^[75]; International IDEA, 2005^[76]). Furthermore, with the increasing use of digital fora and social media platforms, women and other groups in politics often face new threats, as they are more likely to receive harmful abusive content, experience online harassment and be targets of hate speech (Institute for Strategic Dialogue, 2020^[77]). While cyber violence undoubtedly has profound effects on victims, causing severe psychological harm (Amnesty International, 2018^[78]) and undermining their freedom of expression, it also poses an obstacle to diverse and inclusive democracy. Cyber violence can deter women and other underrepresented groups from running for public office, prevent them from achieving leadership positions and even push them to withdraw from public life.

Figure 2.9. Gender equality in parliament, 2012, 2017 and 2021 (lower or single house of the legislature)



Source: OECD (2021^[11]), *Government at a Glance 2021*, OECD Publishing, Paris, <https://doi.org/10.1787/1c258f55-en>.

Figure 2.10. Gender equality in ministerial positions, 2012, 2017 and 2021



Source: OECD (2021^[11]), *Government at a Glance 2021*, OECD Publishing, Paris, <https://doi.org/10.1787/1c258f55-en>.

Forthcoming OECD analysis suggests that women's representation in political decision making can increase public trust in governments and satisfaction with democracy. Women's representation can affect four of the five drivers of public trust as identified by the *OECD Trust Framework*, namely, responsiveness, integrity, openness and fairness, to in turn boost public trust. With higher representation of women in decision making, evidence also points to greater attention given to issues such as gender-based violence and greater public satisfaction with key government services such as public health (OECD, forthcoming^[79]; Delaporte and Pino, 2021^[80]).

The [OECD Policy Framework on Gender-sensitive Public Governance](#) emphasises that facilitating representation and participation requires efforts towards a cultural change, including by removing deep-rooted norms, tackling harassment and improving the gender-balance in distribution of care work. Yet, the use of overarching gender equality strategies and policies in parliaments remains limited across the OECD (OECD, 2019^[75]). In addition to strategic planning to facilitate overarching cultural change, countries can consider a combination of measures including, for example, setting targets or introducing quotas for gender balance, improving pay equity and use of work-life balance measures across all levels, and providing opportunities for coaching, networking, mentoring, and sponsorship to promote women’s leadership (OECD, 2019^[75]). There is scope to deepen the understanding of what works to close gender gaps in public leadership by improving data collection on the measures hitherto undertaken by countries. Furthermore, countries could consider drawing upon the COVID-19 experience to develop mechanisms ensuring women’s participation in decision making during crises and emergencies. New Zealand’s Public Service Pay Gaps Action Plan is a collaborative initiative between various Ministries including, among others, the Ministry of Women, the Ministry for Pacific Peoples, and the Ministry for Ethnic Communities. It aims to remove barriers that drive the pay gap for women including Māori, Pacific, and ethnic women. The Public Service Commission reported that as a result, the public service gender pay gap fell from 12.2% in 2018 to 8.6% in 2021, reaching its lowest level ever, although further efforts are needed to close the gap (New Zealand Public Service Commission, 2021^[81]).

However, the challenge of ensuring diversity of electoral representatives goes beyond young people and women. It is key to ensure that governing leaders remain connected with the needs and concerns of broad groups of the population and govern for “all”. For example, the socio-economic class of elected officials is one aspect of representation that can significantly impinge on an individual’s trust in government. More data and analysis is needed about the descriptive representation of various minorities in national legislatures and executive bodies, and the impact of strengthening their presence in these bodies. For instance, research suggests that the presence of even a small number of legislators from an openly LGBTI community is associated with a significant increase in the passage of laws for enhanced rights (Reynolds, 2013^[82]). Research also backs the finding that racial and ethnic minority legislators tend to improve policy outcomes for these minority groups, including through the adoption of policies favoured and backed by minority groups (Griffin, 2014^[83]). There is a clear need for further analysis and research in this area.

Participatory processes, such as those discussed in the previous section of this chapter, can increase inclusion and diversity in public decision making by setting up dedicated mechanisms to address the needs of “the silent majority” and traditionally excluded groups such as informal workers, migrants, indigenous populations, LGBTI and others. For example, Canada has put in place mandatory public consultations with indigenous communities, and Brazil has set permanent roundtables for informal workers and LGBTI persons. More advanced forms of participation, such as deliberative assemblies, allow for diversity in participants by convening a representative sample of the entire community or population, including all usually underrepresented groups.

2.3.2. Fostering a diverse, representative and responsive civil service

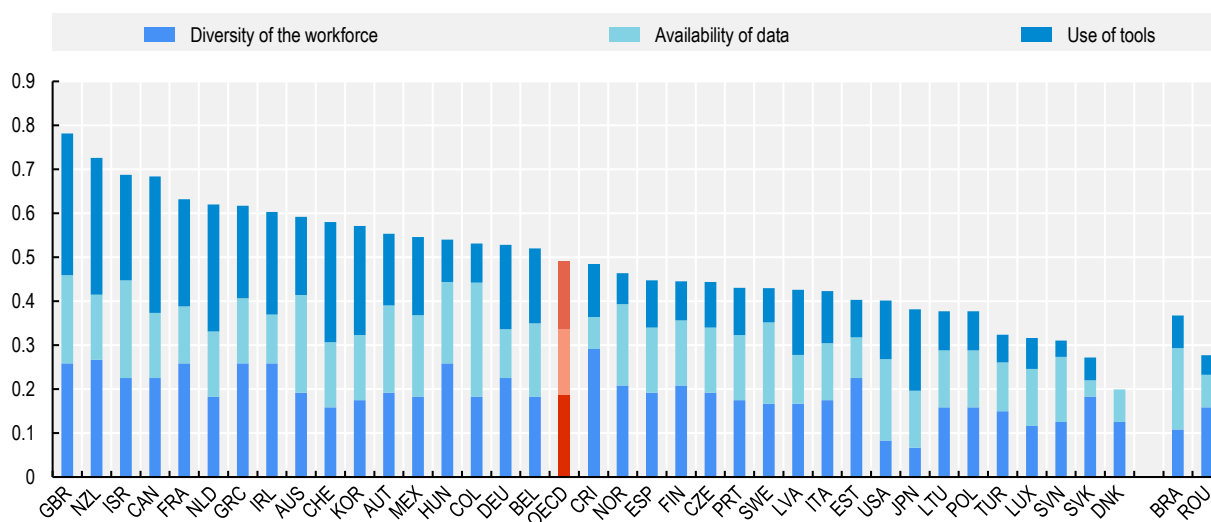
Strong democracies have public services that are responsive to the will and interests of all citizens. A fit-for-purpose public service workforce should thus reflect the diversity of the population that it serves.

A diverse public service workforce helps with understanding the origin and depth of issues, formulating effective policy responses, implementing innovative solutions, improving agility and responsiveness in times of crisis, and communicating with citizens. At the highest levels, senior public servants advise on, and make important decisions that impact society, and the diversity of this group can help to ensure better, more inclusive decision making. Furthermore, front-line, citizen-facing public servants are often the visible face of government, and their diversity may have an impact on public trust (Gay, 2002^[84]; Ulbig, 2007^[85]).

Figure 2.11 provides insight into how well OECD countries are doing in representing several underrepresented groups.

Representation therefore is a central component of the OECD Recommendation on Public Service Leadership and Capability (OECD, 2019_[86]). Representation in this sense means that the people and subgroups across the government workforce should approximately mirror those of the country they work in while ensuring competence and merit. This may include demographic indicators such as gender, ethnic background, age, sexual orientation, ability and socio-economic status, as well as geographical representation. For example, New Zealand's Public Service Act (2020), requires Chief Executives to be guided by the principle that public service employees should reflect the makeup of society and have a clear responsibility for diversity and inclusion in their agencies. In addition, good employer provisions cover equal employment opportunities for underrepresented groups (Government of New Zealand, 2020_[87]).

Figure 2.11. Pilot index: Development of a diverse central government workforce, 2020



Note: The pilot composite index captures three dimensions: the diversity of the workforce, the availability of data for measuring and tracking diversity in public sector workforces, and the use of tools to attract and recruit diverse employees at all levels. Each dimension is built from answers to several related questions in the OECD Survey on Public Service Leadership and Capability (2020) and the Composition of the workforce in central/federal administration Survey (2020). The index ranges from 0 (low level of effort to develop a diverse central government workforce) to 1 (high level of effort). Data for Chile and Iceland are not available. Gender data for senior level public servants used in the indicator only refer to D1 senior managers for Austria and Hungary, and D2 senior managers for Australia.

Source: OECD (2021_[11]), *Government at a Glance 2021*, OECD Publishing, Paris, <https://doi.org/10.1787/1c258f55-en>

A mature and transformed civil service puts in place human resources practices to attract, recruit, manage, develop and retain talents and skills from a wide range of disciplines, backgrounds, personalities and profiles (i.e. age, socio-economic, ethnicity, gender/sexuality). Some of these practices include recruiting from a diverse pool of candidates, offering job mobility to diversify experiences and understanding, and conducting regular analyses on human resource data (OECD, 2021_[54]). The desire and commitment to ensure true inclusion in opportunity across a diverse workforce matters as much as the diversity itself.

Nonetheless, data show that governments face a number of challenges in ensuring a representative civil service. For example, data from the OECD 2020 Survey on the Composition of the Workforce in Central/Federal Governments shows that younger workers (18-34 year-olds) represent 19% of the central government workforce. While some countries have established structured programmes for graduates to join the public sector, only 42% of entities in charge of youth affairs have such programmes in place (OECD, 2020_[41]). Still, from a gender perspective, data on gender-disaggregated composition of public

employment across the OECD demonstrates that, on average, the public sector fares better in terms of overall gender balance than the private sector, with 58% share of women. This is, however, in many cases due to the inclusion of positions such as teachers and nurses in public sector workforce data. The problem of the leaky pipeline to more senior roles persists, with women composing only 37% of senior management positions in the public sector (OECD, 2019^[72]). Latvia, Sweden, and Greece have the largest share of women in senior positions (53-56%) while Japan (4%) and Korea (9%) have the smallest. Only in Sweden do women make up a larger share of middle and senior management positions than for other central government positions.

The challenge of recruiting a representative public sector workforce starts even before the application process begins. If candidates see no examples of people like them in government, they may choose not to apply in the first place and opt for other career paths that seem more attainable or inviting. This phenomenon creates a vicious cycle, wherein potential candidates are themselves not diverse, making hiring a diverse workforce more difficult. To build better public sector representation, social complexities that can lead to disadvantage, such as socioeconomic status (SES), geographic disparity, or societal discrimination or oppression, need to be taken into account when searching for the best people, especially in recruitment. This can mean, for instance, recruiting from a wider group of universities, if the graduates from the “top tier” usually focused on are largely from upper SES backgrounds, a small number of regions, a majority ethnicity, or had access to private schooling or tutoring in earlier years. Broadening the scope of post-secondary institutions for early-career hiring opens the door for applications from ambitious and intelligent candidates from more diverse backgrounds; often, these candidates bring a wider breadth of understanding of policy issues along with fresh ideas to tackle them. Reducing the level of post-secondary education required for public service jobs can also increase diversity. For instance, by accepting experience in place of a master’s degree, governments can receive applications from more people with broad skillsets developed in other sectors. As another example, France implemented a programme that helps prepare candidates from lower socioeconomic brackets for rigorous public service examinations, through training and a scholarship (Ministère de la transformation et de la fonction publiques, 2022^[88]).

Nonetheless, governments also face a number of challenges with the hiring process itself. Research over the past decades provides ample evidence that biased or unfair hiring practices have not only existed, but have been common. Understanding of the issue has grown and great efforts have been made to tackle this problem in recent years. Educating and retraining hiring managers and personnel is an important step, along with data and indicators to measure progress and improvement. Quotas also offer an example of measures to support fair hiring, especially when it comes to ensuring balance among subgroups, such as women and visible minorities. Blind hiring systems can be very useful in eliminating biases in the early stages of the selection process, giving only information relevant to the role and hiding information such as the candidate’s name, gender, appearance and race. No system is perfect, but substantial improvements can be made through implementing thoughtful and purposeful processes.

It is also important to remember that when seeking to recruit a more representative workforce, merit-based recruitment is only reliable to the extent that each candidate has had equal opportunity to accomplish and achieve the same things. Unfortunately, this is often not the case, which is important to keep in mind in the hiring and promotion process. In entry-level recruitment, this issue can be particularly pronounced. Without substantial work experience in the field, public sector recruiters may rely on evaluating the candidate by other measures not available to all potential candidates, such as whether they attended a top-tier – yet expensive – university, whether they excelled in extra-curricular activities or sport, or other experience such as unpaid internships. More mid-career employees, if equality of opportunity has not been ensured, then hiring or promoting will in turn amplify these effects throughout the career lifecycle. OECD countries have begun work to combat problems in evaluation and hiring that arise for unequal opportunity or bias. Many countries, including New Zealand and Australia, also mandate mixed-gender interview panels as a means to increase representation and balance evaluation of men and women equally (Government of New Zealand, 2019^[89]).

Countries aiming to have a representative public sector workforce therefore need to make a concerted effort and take a critical look at their practices and culture. Countries that perform well focus on competencies and competency building rather than only on selection criteria, which may not always reflect true performance on the job. They seek to remove barriers for potentially qualified applicants rather than overly burden them. They further ensure diversity is embedded in the selection process itself, such as in the composition of interview panels, to avoid group-think in the decision-making process. Indeed, increasing diversity requires dismantling and redesigning systems and thinking that had previously led to inequality or a lack of inclusion. Succeeding in this takes time, effort and a will to improve. Through the OECD, governments can share best practices and lessons learned in this regard.

Finally, countries serious about improving the diversity of their public workforces need to collect and use data and evidence to set concrete targets and monitor progress. A lack of available data is also restrictive in identifying barriers to inclusion and understanding the complexities of diversity challenges (Nolan-Flecha, 2019^[90]). Data collection can be challenging given data protection limitations and cultural norms in many OECD countries, but Australia, Austria and Colombia score highly for collecting and centralising standardised records of disaggregated workforce data by age, gender, disabilities or educational level. In New Zealand, agencies are required to report on and monitor measures taken to improve the representation of women in the workforce. Data collection can be incorporated into human resource management strategies, and various datasets can be combined in order to use microdata to understand the details below the aggregate. Without proper analysis, it becomes difficult, if not impossible, to know for sure where the issues stem from and how to solve them. Work on this topic depends on data-tracking, making it an essential immediate next step for governments to focus on.

2.3.3. Delivering on the promise of representation: A step forward in inclusive policies

Ensuring that policies are inclusive goes much beyond the identity and background of those in charge, whether they are elected or part of the public service. It is also about the way in which their roles are carried out and the culture within which they operate.

Policy makers have the possibility of proactively mainstreaming the needs of underrepresented groups into policy making. Public management tools can be leveraged by policy makers to mainstream such considerations across core functions of government such as rule making, public budgeting, public procurement, and infrastructure decision making and delivery. Country examples already provide a few avenues to advance on this:

- **Mainstreaming the needs of future generations:** For policy makers to be able to propose policies that anticipate future needs, they need to be aware of what alternative futures might look like. However, most of these new alternatives will not come from within their organisation. They need to engage with a suitably diverse range of citizens to help imagine what these alternatives might be. Gaining these different perspectives can help counterbalance the biases, interests and power dynamics usually present within an organisation to ensure that the future is not being informed by present biases. Austria, France, Germany and New Zealand apply *ex ante* “youth checks” to examine the impact of draft regulations and policies on young people before they are approved to incorporate the considerations of young people more systematically in policy making and legislation (OECD, 2020^[41]). The Netherlands has developed a Generation Check to examine the impacts of draft policies on different age groups. Strategic foresight and anticipatory governance can also provide useful tools to mainstream the needs of future generations into policy making. For instance, with the support of the OECD Observatory of Public Sector Innovation, strategic foresight was applied in the Finnish cities of Oulu and Vantaa to help identify, prevent and mitigate actual and potential adverse impacts of events on vulnerable youth groups (OECD, 2020^[41]). To overcome the inherent challenge that current decision-making systems tend to be inclined towards the preferences of present generations, Yahaba Town municipality in Japan

included imaginary “future generation” groups as stakeholders to negotiate with present-generation groups in a series of workshops about the municipality’s vision for 2060.

- **Mainstreaming the needs of young people:** The integration of an intergenerational justice lens into the budget cycle can also help mainstream the needs of young people and future generations into policy making. For instance, the “well-being budget” of New Zealand sheds light on the distributional effects of budget allocations across different age cohorts and actual trade-offs faced by policy makers. The Slovak Council for Budget Responsibility considers intergenerational fairness in connection with the long-term sustainability of public finances and it quantifies the net contribution to and receipt from public finances of individual age cohorts. In Australia, the intergenerational budgetary forecast is undertaken in the context of publishing fiscal projections of spending and costs.
- **Taking an intersectional approach:** Gender-based Analysis Plus (GBA Plus) is an analytical tool used by the Government of Canada to support the development of responsive and inclusive policies, programmes, and other initiatives, taking into account impacts across intersecting factors such as gender, age, race, and ethnicity. In Finland, the Action Plan for Gender Equality 2020–2023 recognises intersectionality as a means for examining overlapping and crosscutting mechanisms of discrimination in society at large. In particular, it calls for an intersectional lens (including age, socioeconomic status, ethnic background and minority group membership) to be adopted in the prescribed broad-based study on the gender-specific impacts of the COVID-19 pandemic in the short- and long-term. It also calls for reinforcing the intersectional lens in gender equality efforts in the context of Finland’s development policy.

However, the uptake of mainstreaming practices remains uneven across OECD countries. Notably, while the use of gender mainstreaming practices has progressively increased in the OECD area, it continues to be marred by barriers such as insufficient leadership and commitment, inadequacy of institutional and co-ordination mechanisms, weak accountability and oversight mechanisms, and lack of quality gender-disaggregated data. In order to strengthen the integration of a gender lens in policy making, OECD countries can consider conducting assessments to map gaps in capacities and skills of public officials and undertake efforts improve these, as well as ensure clear roles and responsibilities of various actors to conduct effective gender impact assessments. Furthermore, improving the collection and use of gender-disaggregated data to feed into evidence base for policy making, as well as documenting the policy impacts of and lessons learned from gender mainstreaming, can go a long way in supporting countries in their gender mainstreaming efforts.

Parliaments and parliamentary committees can support the advancement of the gender equality agenda by reviewing legislation and policies and providing oversight of government actions. For example, in Mexico, the Gender Equality Commission of the Chamber of Deputies played a key role in driving reforms related to combating gender-based violence and women’s access to health, education and political participation (OECD, 2019^[75]). Data collected by the OECD further suggests that parliaments and parliamentary committees constitute one of the key national oversight institutions for gender equality across OECD countries (OECD, 2017^[91]). OECD analysis also suggests that, in addition to a dedicated parliamentary committee on gender equality, it is also necessary for all parliamentary committees to provide oversight on gender equality in their respective portfolios.

Additionally, Supreme Audit Institutions (SAIs) across the OECD have progressively played a role in the gender equality agenda. In Sweden in 2014-15, an audit by the Swedish National Audit Office provided a boost to the gender equality agenda by calling for, inter alia, more robust structure for good gender governance and strengthened gender mainstreaming in the administration. However, there is significant scope to strengthen the role of SAIs in providing oversight for the gender equality agenda (OECD, 2019^[75]).

More broadly, parliaments may also oversee gender mainstreaming in the budgetary process, helping to promote gender responsive policies and address gender inequalities. Around half of OECD countries have

either introduced gender budgeting, or are working towards it. Gender budgeting systems include gender informed resource allocation, gender assessed budgets and needs-based gender budgeting. In more recent years, these practices have extended to including gender equality in capital budgeting allocations and applying a gender perspective in spending review processes. Countries have also been increasingly using public procurement, a procedure of budget execution, in order to address gender inequalities. In 2020, 59% of OECD countries had a certain mechanism to promote gender equality through public procurement (OECD, 2021^[1]). For example, the Gender Equality Bureau of the Cabinet Office of Japan introduced the mechanism to give additional evaluation points to bidders that promote measures such as work-life balance to encourage the advancement of women.

2.4. Conclusions

The trends discussed in this chapter mark an important shift. They prompt a rethinking of the role of public participation and of the meaning of representation in a healthy and vibrant advanced democratic setting. As briefly described, a new democratic wave is emerging in OECD countries; one that encompasses strengthening existing and establishing new participatory and representative democratic institutions, further empowering people and accelerating wider civic momentum for more open, equitable, and inclusive societies. This new wave calls for democracies that are capable of effectively representing their diversity and deepening citizens' engagement. Building on existing good practices, an OECD Action Plan has been developed, outlining concrete actions countries can take to address the issues mentioned in this chapter with reforms that are ambitious and impactful: www.oecd.org/governance/reinforcing-democracy/.

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Notes

¹ President Abraham Lincoln, The Gettysburg Address, 19 November 1863.

² Related work, on the need to strengthen parliaments, while fundamental to our democracies, is outside of its scope. Nevertheless, we recognise that parliaments, as representative bodies and forums for deliberation and dialogue, have a particular role to play in strengthening democratic participation and representation. Moreover, they can support democratic fitness and protect the democratic system, including civic space.

³ The OECD Recommendation defines the terms as follows: **Information**: an initial level of participation characterised by a one-way relationship in which the government produces and delivers information to citizens and stakeholders. It covers both on-demand provision of information and "proactive" measures by the government to disseminate information. **Consultation**: a more advanced level of participation that entails a two-way relationship in which citizens and stakeholders provide feedback to the government and vice-versa. It is based on the prior definition of the issue for which views are being sought and requires the provision of relevant information, in addition to feedback on the outcomes of the process. **Engagement**: when citizens and stakeholders are given the opportunity and the necessary resources (e.g. information, data and digital tools) to collaborate during all phases of the policy-cycle and in the service design and delivery. It acknowledges equal standing for citizens in setting the agenda, proposing project or policy options and shaping the dialogue – although the responsibility for the final decision or policy formulation in many case rests with the investor or other authorities.

⁴ The OECD defines civic space as the set of legal, policy, institutional, and practical conditions necessary for non-governmental actors to access information, speak, associate, organise and participate in public life.

⁵ Understood as the government function to deliver information, listen and respond to citizens in the service of the common good.

⁶ <https://www.theguardian.com/news/2018/mar/17/cambridge-analytica-facebook-influence-us-election>

⁷ As noted in the introduction to the [OECD Good Practice Principles for Data Ethics in the Public Sector](#), ethical standards for the use of data during electoral campaigns would benefit from being further explored by the OECD, notably through the Working Party of Senior Digital Government Officials.

⁸ For further examples, consult the OECD Database of Representative Deliberative Processes and Institutions (2021):
<https://airtable.com/shrHEM12ogzPs0nQG/tbl1eKbt37N7hVFHF/viwxQgJNyONVHkmS6?blocks=hide>

⁹ This is understood as the combination of communication and media governance frameworks as well as principal actors (i.e. governments, traditional and social media companies and citizen journalists).

3

Stronger open democracies in a globalised world: Embracing the global responsibilities of governments and building resilience to foreign influence

Many of the policy challenges faced by countries at the domestic level are increasingly global in nature and require democracies to both deepen their models of governance, while protecting them from external foreign undue influence. This chapter first discusses how democracies can ensure that they are better able to address challenges that require global responses and co-operation, such as climate change, the implications of digital transformation, preventing future crises, and other problems with clear transboundary dimensions and knock-on effects. In particular, it looks at building public governance capacities, strengthening national institutions and leveraging governance tools and innovation to enhance capacity for global action. The chapter then explores how governments can build resilience to foreign undue influence by recognising and addressing loopholes in their governance systems that leave democratic societies at risk of undue influence from some autocratic regimes.

3.1. Introduction

Many of the policy challenges faced by OECD democracies at the domestic level are increasingly global in nature, and require effective global responses, also grounded in co-operation. These challenges include, among others, climate change, addressing the global implications of the digital transformation, preventing future global crises, such as pandemics and famine, and their implications in terms of migration, and ensuring essential health and industrial supplies.¹ At the same time, democracies face the destabilising impacts of some foreign undue influences on democracy also fuelled by globalisation, through mis- and dis-information, the use of regulatory loopholes to influence election processes and other decision making, as well as information eco-systems. In order to reinforce their democracies in a globalised world, governments must both enhance their capacities to more effectively tackle global challenges, while building resilience to foreign influence.

Democracies have, for many years, been at the forefront of global policy efforts and international co-operation. The rules-based international order that took shape after World War II, which includes the founding of the Marshall Plan and the OECD, was built around the need to build healthy and open market economies and protect economic freedoms, the rule of law, and the promotion of human rights. Advanced liberal democracies, in particular, have since played a critical role in driving international co-operation to secure economic and global financial stability and promote economic growth and development over several decades. Nonetheless, while the benefits of trade and economic growth have been substantial, many of the global challenges that are faced by countries today are far more complex and transboundary in nature than ever before, putting a much greater strain on national governments' capacities.

The COVID-19 crisis has been a case in point. While many governments demonstrated their ability to respond at speed and scale to the challenges of a global pandemic, many countries gave the impression of being caught "off guard" (OECD, 2021^[1]). Governments have faced both a global, social, economic and health crisis, together with a difficult geopolitical environment. In many cases democracies have been working in competition with narratives promoted globally by some autocracies about their capacity to address the situation. Over the course of the crisis, democracies have shown great capacity to deploy vaccines with significant levels of trust and have been able to engineer a rebound of their economies and societies to near normal.

In open democracies, citizens' trust in government matters for governments to be able to, among other things, respond effectively to global challenges. This was very clearly demonstrated during the deployment of the various COVID-19 measures, such as lock-downs and social distancing. Evidence abounds also on the nexus between climate change and trust (see Chapter 4). There are therefore clear incentives for governments to **embrace a more global perspective in their leadership, institutions and public governance tools** with a view to addressing these challenges in a way that can be better understood and appreciated by citizens and ensure more effective global outcomes.

At the same time, in order to reinforce democracy in a globalised world, it is also necessary to build resilience to foreign undue influence. One of the most significant challenges that democracies must face in a globalised world is the destabilising impacts of foreign undue influences on democracy. This includes, for example: the spread of foreign-born mis- and dis-information (see Chapter 1); influencing elections and democratic governments by opaque means; influencing civic institutions by pressuring academic institutions; undermining the enabling environment for media and civil society; and abusing Residence-by-Investment and Citizenship-by-Investment schemes to hide or facilitate financial and economic crimes, including corruption, tax evasion and money-laundering. In the context of the Russian invasion of Ukraine, it has become clear that OECD governments need to do more on this front. Strong public governance responses to these influences, in particular, could play a significant role in reinforcing democracy.

This chapter considers how governments can seek to reinforce democracy in a globalised world from two main angles:

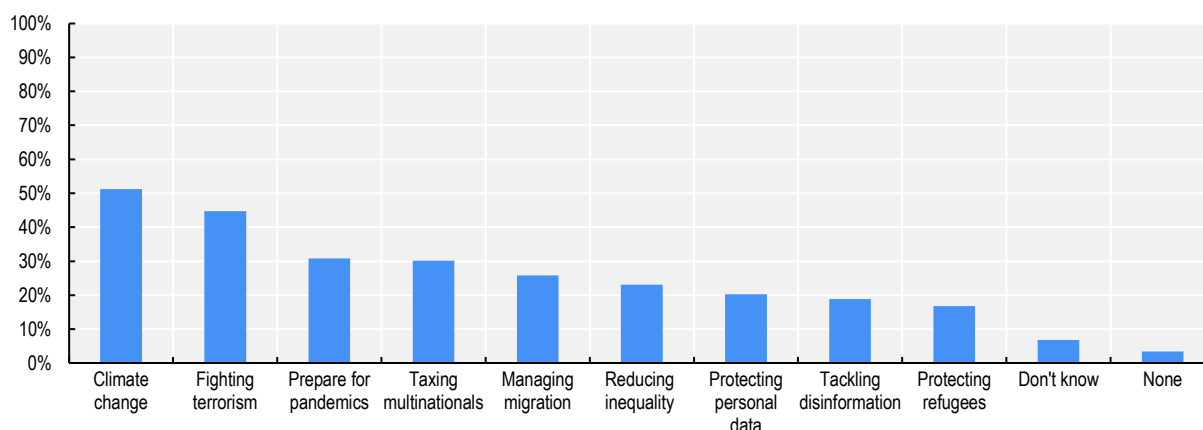
- First, how governments can build their public governance capacities to ensure that they are fit to address global challenges; and
- Second, how democracies can use public governance solutions to build resilience to foreign undue influence.

3.2. Building public governance capacities to ensure that governments are fit to address global challenges

Democracies face difficulties in securing citizen’s trust in government to address global challenges. Results from the OECD Survey on the Drivers of Trust in Public Institutions (OECD Trust Survey) show that, on average across countries, people are most likely to express interest in global co-operation to address issues like climate change, terrorism, and pandemic preparedness (Figure 3.1). Yet, there is still relatively low public support for global co-operation to target these issues; only around half of respondents call on governments to work together to address climate change. Part of the issue may be that people are unwilling to accept the costs. Another likely factor is a government’s perceived competence. Many people are not confident that public institutions are competent and reliable enough to deliver policies effectively, and for long enough, to generate benefits (OECD, 2022^[2]).

Figure 3.1. Respondents most likely to support global co-operation to resolve challenges like climate change, terrorism and pandemic preparation

Share of respondents picking each of the following options as one of their top priorities for global co-operation, OECD unweighted average, 2021



Note: Figure presents the unweighted OECD average share of responses to the question “Which of the following issues do you think are best addressed by working with other countries than by your country alone? Please choose your top three issues for global co-operation.” Response choices options are indicated in the x-axis. For more detailed information on the survey questionnaire and processes in specific countries, please find the survey method document at <http://oe.cd/trust>.

OECD (2022^[3]), *Building Trust to Reinforce Democracy: Main Findings from the 2021 OECD Survey on Drivers of Trust in Public Institutions*, Building Trust in Public Institutions, OECD Publishing, Paris, <https://doi.org/10.1787/b407f99c-en>

This disenchantment is also fuelled by the increasingly common perception that global co-operation is a game of national elites and global corporations. This is demonstrated in the way voters' support for political parties promoting liberal internationalist policies in the West has almost halved since the 1990s (Trubowitz and Burgoon, 2022^[4]), while votes for economic nationalist and isolationist parties in Western Europe have increased significantly between 1985 and 2015 (Colantone and Stanig, 2018^[5]). Under this context, any new global challenge without an effective policy response risk making matters worse. Bringing citizens on board with addressing global challenges is key.

Addressing global challenges will require a transformation of public governance approaches and institutions to ensure that they are fit to go global. This first section looks at three key areas where democratic governments should focus their efforts to achieve this:

- Steering action to tackle global challenges through building trust.
- Strengthening national institutions to make them fit to go global.
- Leveraging governance tools and innovation to enhance capacity for global action.

3.2.1. Steering action to tackle global challenges through building trust

Addressing any global challenge requires first and foremost setting an agenda and engaging stakeholders and broader society to build consensus and steer action. Ensuring meaningful societal engagement and consensus building is the essence of democracies. It is also important to be accountable for results and to be able to communicate progress which requires effective monitoring. This section focuses on governments' role to steer action to tackle global challenges and maintain public trust, with an emphasis on leadership and vision, societal engagement and monitoring progress.

Leadership and vision

Outlining a clear, long-term strategic vision to define priorities and set an agenda is critical to address global challenges. Global challenges often span across multiple policy domains and involve a variety of actors and contending interests. Strong leadership is essential to set a whole-of-society approach, steer coherent policy development in line ministries and translate the strategic vision into concrete and measurable actions.

The centre of government (CoG) plays a key role at strategic vision setting, yet many countries they still struggle to set a pathway to address issues that go beyond the electoral cycle. In 2017, more than three-quarters (78%) of survey respondents from OECD centres of government reported the existence of a document outlining a strategic vision document for their country to address global and strategic priorities. However, for more than a third of countries (35%), this document only covered a period of 5 years or less, the likely period of an electoral cycle. Furthermore, in a number of countries the ruling party's manifesto acts as the strategic vision document making the concept of 'vision' a synonym with a political strategy rather than setting long-term orientations crucial in addressing complex and interconnected global issues such as sustainable development and climate action. There does, however, appear to be some improvement in long-term strategic vision setting since 2013. In 2013, almost two-thirds (63%) of countries only issued short-term strategies, in comparison to recent results when this had dropped to a third. Only 3 countries, Japan, Luxembourg and Norway reported having a document with a more than 20-year horizon. Many of the more recent long-term strategies have been dedicated to climate action. Taking this approach to other global challenges may also help deliver results. For example, since 2017, all EU Member States have published their own National Cyber Security Strategies (ENISA, n.d.^[6]).

Engaging with citizens on global action

Setting the vision is only the first step. Involving citizens and wider stakeholders in the policy cycle is critical to ensure better policy outcomes, build trust in public institutions and strengthen the democratic mandate for urgent and sometimes difficult reforms that need buy-in from all stakeholders. Awareness-raising and participation in line with the *OECD Recommendation on Open Government*, can also ensure that policies designed to address global challenges are more effectively implemented, through greater understanding and compliance on the part of citizens.

Governments can use a variety of approaches and opportunities to engage with citizens on global issues. This ranges from consulting with civil society organisations ahead of international summits, to more innovative citizen deliberative mechanisms. Leadership of international *fora* (G7, G20, EU, APEC, for instance) offers a good opportunity for countries to ramp up engagement efforts with civil society. Governments can also mobilise citizen engagement through wider *fora*, targeted at specific global challenges, such as the European Citizens' Panels for the Conference on the Future of Europe or The Global Citizens' Assembly for COP26 (Box 3.1).

Box 3.1. Citizen engagement on international agendas: Europe and COP26

The Conference on the Future of Europe

The Conference on the Future of Europe was a citizen-led series of debates and discussions that ran from April 2021 to May 2022, enabling citizens from across Europe to share their ideas on the common future of the EU.

The European Citizens' Panels were a key feature of the Conference, bringing together four panels each comprising of 200 citizens reflecting the EU's demographic and social diversity to debate key topics. At least one third of the participants in each panel were younger than 25, to ensure that the voice of youth and younger generations were represented. Their deliberations were informed by the recommendations of national Citizens' Panels organised in advance across Member States.

The final session of the four Panels resulted in recommendations discussed in the Conference Plenary by 20 citizens selected from each panel that deliberated jointly with the representatives of the EU institutions and advisory bodies, national Parliaments, social partners, civil society and other stakeholders.

The resulting proposals were put forward to an Executive Board, whose subsequent report was examined for follow-up by the European Parliament, the EU Council, and the European Commission – each within their own sphere of competences in accordance with the EU Treaties.

COP26 Global Citizens' Assembly

The COP26 Global Citizens' Assembly was a first initiative aimed to give everyone a seat at the table on the course of global climate action at the 2021 UN Climate Change Conference in Glasgow.

A 100 members Core Assembly was selected by a lottery, using an algorithm that ensured accurate representativeness. The members spent 68 hours deliberating together over 11 weeks, on the question of "how can humanity address the climate and ecological crisis in a fair and effective way?". Community Assemblies, which anyone could form and organise by registering on the official website were run simultaneously, with their proposals being fed into the final report and public declaration. The long term vision of the initiative is to create a permanent global citizens' assembly that by 2030 will have over 10 million people participating annually. The goal is to have an assembly being recognised as a powerful driver with the ability to tackle not only climate change but other global crises.

Source: (European Commission, 2021^[7]; Global Assembly, n.d.^[8])

Strategic and inclusive public communication efforts are key to build support and consensus toward effective policy action for global challenges. In a media and information landscape crowded with a large volume of actors and content, Governments need to focus on building trustworthy narratives and engaging with all constituencies. For example, the Canadian government launched an environment and climate change campaign to bring citizens closer to this issue, including opportunities to engage in conversation, public information and activities for children (Government of Canada, 2022^[9]).

It is crucial for governments to engage young people in decision making on global challenges as the costs of many of the reforms needed for successful action will fall on future generations. Young people, however, tend to have disproportionately little say in the management of global challenges given their lack of participation and representation in traditional democratic processes. In OECD countries, youth join political parties and participate in elections less than their older peers: 68% of young people go to the polls compared to 85% of people over 54 on average (OECD, 2020^[10]). Governments can engage young people through multiple mechanisms including: public consultations and innovative deliberative processes targeting youth, affiliating advisory youth councils to government or specific ministries (as occurs in 53% of OECD countries), or through setting up youth councils at the national (in 78% of OECD countries) and subnational levels (in 88% of OECD countries) (OECD, 2020^[11]).

Charting a clear and long term way ahead to address global issues requires comprehensive engagement with all actors – including the private sector. In many key global challenges, private sector actors play a pivotal role. For example, big tech and energy companies are among key actors for the digital transformation and the climate transition respectively. As a result, for each of the relevant global challenges, governments should engage with the entire ecosystem of relevant stakeholders. Private sector coalitions and other non-governmental stakeholders are increasingly active in the global debates and shaping policy responses to global challenges. Close engagement can also help promote certainty and transparency about government’s long-term policy objectives encouraging trust of financial markets and a predictable environment for investment. For example, the OECD’s Centre for Responsible Business Conduct uses RBC standards and recommendations to shape government policies and help businesses minimise the adverse impacts of their operations and supply chains, while providing a venue for the resolution of alleged corporate, social, environmental, labour or human rights abuses (OECD, n.d.^[12]).

Monitoring and demonstrating progress on global action

Accountability is critical to sustain public consensus and trust in government action towards tackling complex global issues. Policy monitoring can show whether public decisions and expenditure have achieved their intended objectives and are producing the expected results. Monitoring can be complemented by evaluation mechanisms to provide evidence on what policies work, why and for whom, in addressing these complex issues (OECD, 2020^[13]). However, experience in implementing the *Recommendation of the Council on Policy Coherence for Sustainable Development* (OECD, 2010^[14]) shows there is room for improvement in aligning monitoring and evaluation frameworks on key global issues, enhancing government’s ability to track policy impacts, and adopting a systemic monitoring of whole-of government impact.

Policy monitoring of the implementation of the government’s strategic priorities is mostly undertaken at the level of Centres of Government. Some countries are making progress in engaging the public sector and the machinery of government in delivering on these global efforts. For instance, the French Government created an online platform allowing citizens to track progress made in priority measures on the territory as a whole, by region and by department (Government of France, 2021^[15]). This includes a thematic priority on the green transition and sub-priorities on global issues such as drug trafficking.

The effectiveness of monitoring progress critically depends on the capacity to collect homogenous and relevant data. Standardisation can help benchmark the effectiveness of country-level policy responses to global challenges. Major international policy agendas, for example around Sustainable Development Goals

(SDGs) and the green transition, are paired with a monitoring and evaluation system with indicators, targets and milestones, that helps governments track and benchmark progress. International organisations have an increasing role in standardising data collection on how countries track their progress in fighting against global challenges. The OECD International Programme for Action on Climate (IPAC) for example, supports country progress towards net-zero greenhouse gas (GHG) through regular monitoring, policy evaluation and feedback on results and good practices. These methods of international benchmarking can be a positive enabler for change, by allowing countries to see where they stand on international standards and encouraging them to do better.

Sharing the lessons drawn from policy evaluation between countries can help governments learn from each other and strengthen responses to global challenges. Governments also increasingly relied on existing evaluations of past and similar crises worldwide during the crisis, thus enabling them to provide credible evidence under short time constraints and with limited resources. The OECD provided a synthesis of government evaluations on the COVID-19 pandemic, with useful evidence on how to design and implement ongoing policy responses to crisis – as well as to increase forward-looking capacities to manage other large future shocks (OECD, 2022^[16]). Colombia's Department of National Planning, for instance, conducted an evidence gap map in order to first identify where evidence was needed on the effects of the COVID-19, with special attention to economic and social issues (such as employment, social and human capital, mental health, gender issues, etc.) (OECD, 2022^[16]).

Making sure that such evidence is publicly available can also support the *transparency* of decision making on these complex global challenges. Knowledge-production and information-sharing has increased during the pandemic, where international co-operation has played a key role. In January 2020, 117 organisations – including journals, funding bodies, and centres for disease prevention – committed to providing open access for peer-reviewed publications for the duration of the outbreak and to sharing results immediately with the World Health Organization (WHO) (OECD, 2020^[17]). Yet, many challenges regarding the availability and accessibility of monitoring and evaluation evidence to combat global challenges remain. In many cases, data is not sufficiently findable, accessible, interoperable and reusable. International organisations may still have an important role to play to help countries overcome these challenges. Increasing the sharing of monitoring data and evaluation evidence can also help governments account for potential spillover effects of national policies and potential cross boundary trade-offs.

3.3. Strengthening national institutions to make them fit to go global

While international relations often remain the prerogative of ministries of foreign affairs, most national institutions nowadays deal with public policy issues that extend beyond national borders. This calls for a strengthening of government institutional settings and co-ordination capacities to address issues that span borders and to promote policy coherence. There is also a need to invest in the skills of public servants to tackle global challenges.

3.3.1. Setting up government to go global

Major transboundary challenges demand an increased focus on international co-operation and a transformation of government institutions. Government bodies are typically designed and structured to focus on singular policy issues or narrow subject domains. However, setting up government to address global issues requires an overhaul of government structures and institutions. Global policy issues are no longer the exclusive remit of ministries dealing with foreign affairs. Governments have had to strengthen their capacity and mechanisms for horizontal co-ordination so that the necessary expertise can be mobilised in an effective manner across departments, aligning priorities and resolving policy divergences between ministries, reducing scope for fragmentation, duplication and wasteful spending.

CoGs have a key role to play in promoting co-ordination and connecting the domestic and international policy agendas. International portfolios are often placed closer to the Head of Government office to enhance the co-ordination of international policy issues. OECD evidence shows that in 2018 68% of respondents of the centre of government shared responsibility on international policy issues, against 48% in 2014 (OECD, 2018^[18]). This development is reflected in institutional settings in Korea, with the Director General for Foreign Affairs and National Security Policy situated in the Prime Minister's Office. Similarly, Sweden and Estonia have integrated offices at the centre of government to manage EU Affairs. It is also reflected in the role of the G7 and G20 Sherpa positions sitting at the centre of government to support their leader at the top level of international dialogue and negotiations in relevant countries.

Countries have put in place different mechanisms to ensure horizontal co-ordination. At both ends of the spectrum, inter-ministerial co-ordination is nevertheless a key factor to ensure buy-in and alignment towards global commitments. For instance in France, the *Secrétariat Général des Affaires Européennes* situated in the Prime Minister's Office leads inter-ministerial co-ordination to guarantee coherence and unity of French positions at the European Union (SGAE, 2022^[19]). Countries in which ministries have more autonomy to shape national positions require increased capacity to engage globally at the ministry level. In some other countries, there are clear mechanisms under the leadership of the Ministry of Foreign Affairs (Box 3.2).

Box 3.2. Co-ordination for multilateral affairs

In **Belgium**, international position-finding is done through the intra-federal Multilateral Coordination body COORMULTI located within the Federal Public Service for Foreign Affairs. Political and administrative representatives of the federal state, regions and communities – and often also representatives of civil society – are grouped to decide by consensus on the Belgian position abroad. A dedicated co-ordination body grouping the same actors also exists for European Affairs called the Direction-general European Affairs (DGE).

The **United States Department of State** has set up the “Project Horizon” as a platform for cross-agency collaboration towards tackling a global challenge. Project Horizon brings together senior executives from seventeen agencies and the National Security Council with responsibilities on various aspects of global issues to conduct interagency strategic planning using scenario-based activities.

Source: (National Academy of Public Administration, 2016^[20]; Federal Public Service Foreign Affairs, Foreign Trade and Development Cooperation, n.d.^[21])

Vertical co-ordination is key to ensure that a country can successfully tackle transboundary challenges and align international priorities and commitments on global issues across levels of government – regional, sub-regional, local. The implementation of the 2030 Agenda offers a good example, as 65% of the 169 targets underlying the 17 SDGs will not be reached without proper engagement of, and co-ordination with, local and subnational governments. Often, subnational governments also have to enter in agreements with other cross border subnational authorities to handle matters of mutual interest, such as water basins, cross border flows of workers, etc. Still, there is no one-size-fits-all solution for vertical co-ordination and integration as country-specific circumstances must be taken into account. Some federal governments have developed mechanisms to ensure that sub-national authorities have adequate input in international policy making. For example, Germany follows a modular approach to international policy making to ensure vertical co-ordination with Länder to address global challenges. Depending on the issues at hand, Länder representatives may be consulted on a negotiating position on international issues, participate in negotiations if essential interests are involved, or receive full negotiating powers when proposals affect exclusive legislative powers (Germany Federal Foreign Office, 2022^[22]).

Further changes to the machineries of governments to better address global challenges may take additional specific forms according to country priorities. For example, several countries have followed Denmark's example of establishing a Digital/Tech Ambassador to better prepare for digitalisation and to foster relations with Big Tech at a global scale (Box 3.3). Given their transversal, long-term, and cross-border nature, climate change and environmental threats also offer a good example of a global challenge that may push governments to adapt their institutional mechanisms (see Chapter 4).

Box 3.3. Office of Denmark's Tech Ambassador

In 2017, Denmark became the first country in the world to elevate technology and digitalisation to a crosscutting foreign and security policy priority through its TechPlomacy initiative.

The initiative is spearheaded by the Office of the Danish Tech Ambassador, established under the authority of the Danish Ministry of Foreign Affairs. The world's first Tech Ambassador has a global mandate cutting across foreign and security policy, including cyber, development policy, export and investment promotion, and a range of sector policies, as well as Denmark's bilateral relations with other countries and in the EU and multilateral fora on these issues.

The Office of the Tech Ambassador is in direct dialogue with the tech companies in order to try and influence the direction of technology and improve government preparedness. In whole, it offers a new mechanism for Denmark to bring home knowledge on fast changing technological developments, while also promoting its interest and safeguarding its values abroad.

Source: (Office of Denmark's Tech Ambassador, n.d.^[23])

3.3.2. Promoting policy coherence

Besides horizontal and vertical institutional co-ordination set-ups, policy coherence is key to ensure that institutional and organisational mechanisms align towards common objectives. Policy coherence to address global challenges is typically understood as the alignment of subnational, sectoral and whole of government objectives with the global agenda. The Recommendation of the Council on Policy Coherence for Sustainable Development (OECD, 2010^[14]) offers guidance to support countries in implementing the 2030 Agenda for Sustainable Development recognising that there is no one-size-fits-all approach for ensuring efficient co-ordination conducive to improving policy coherence.

Achieving policy coherence to address global challenges may call for reforms in government structures and public service capacities. Most political and economic institutions at all levels of government have been designed to meet sectoral goals and are as a consequence "sticky" by design and resistant to change (Kapstein, 2006^[24]). Achieving policy coherence to tackle global challenges may require governments to harness an enabling environment to minimise resistance and facilitate cultural change. Developing the appropriate skill sets and competencies of civil servants is part of this challenge (see following section).

Against this background, decision makers should seize momentum for policy action (OECD, forthcoming^[25]). Certain high-level events or crisis may provide a window of opportunity for governments to pass more ambitious legislation on complex global topics, such as climate. For example, in Switzerland "successful" international climate conferences were shown to have an impact on ideological cohesion at the domestic level.

Policy coherence efforts to tackle global challenges should also involve the legislative branch. In certain countries, the legislative can play a key role influencing international commitments through its oversight and control function on foreign policy issues. For example, in the United States - where congress has

robust mandate in international affairs - consultation, co-ordination and co-operation between the executive and legislative are key (Bajtay, 2015^[26]). Conversely, in countries such as France where the executive has more autonomy in foreign policy matters, co-ordination between the legislature and the executive appears to be less of a factor in the success of foreign policy (Bajtay, 2015^[26]).

3.3.3. Strengthening skills in government to think in global terms

Governments need to build capacity in public workforce to address global challenges across a range of line ministries and public institutions. The complex and technical nature of many global challenges require public servants to be able to manage fast-shifting, complex policy priorities while having a global mind-set. They need to be able to leverage their sector-specific expertise and work together with peers on the international stage. Governments need to invest in the talent management and global skills of the national civil service workforce, beyond classic diplomatic skills, to play a meaningful role on these issues.

Developing these global competencies in the public service requires first identifying what they are, deciding how they should be allocated, and developing them through relevant talent management tools and programmes. These include innovative learning and development programmes, as well as recruitment processes.

Global competencies are one of the key skillsets required in a forward-looking, flexible and fulfilling public service (OECD, 2021^[27]). Relevant skills might include anticipation and risk management, to prepare for, and address the domestic impacts of global challenges. Furthermore, the complex and technical nature of many global challenges raise questions about whether public servants have access to the necessary trustworthy expertise. Engaging with key stakeholders and having an understanding of how to use expertise and evidence to influence on the international stage is therefore another key skill set. This also includes skills to understand and partner with other governments, international private sector entities, and citizens. The OECD's skills frameworks on Public Service Leadership (OECD, 2021^[27]), Skills for a High Performing Civil Service (Gerson, 2020^[28]), Core Innovation Skills (OECD, 2017^[29]), as well as the skills for evidence informed policy making (OECD, 2021^[27]), can all contribute to global competence in various ways.

Yet, despite the perceived importance of global competencies, to date, few governments have outlined what that skill-set should be. Recent OECD work on cross-border innovation finds limited efforts geared towards instilling skills and capacities for cross-border collaboration and suggests that additional efforts are needed to connect innovation skills with other key cross-border capacities. The United Kingdom's public service is one of the few that has taken steps to outline the global competencies that all of its policy professionals should aspire to develop (Box 3.4).

Box 3.4. The UK Policy Profession Standards

Published in November 2021, the Policy Profession Standards set out expectations for public sector officials in 12 areas, including "working internationally". The specific skills and knowledge in this section include:

- Understanding the international context and the priorities and interests of all parts of the United Kingdom.
- Work within complex contexts to build relationships, influence and negotiate to advance UK interests.
- Work effectively with international bodies (multilateral).
- Understand the role of international development work.

- Understand international trade implications for policy areas.

This list includes a range of technical, social and behavioural skills and competencies required for effectively managing global issues. For example, the first bullet suggests the need for public servants to be highly aware of the interlinkages between their policy area and international dynamics, and to work through global networks to achieve their policy objectives. The second bullet raises issues of cross-cultural communication and the ability to take global and local context and sensitivities into international policy development. It requires policy professionals to work with ambiguity, uncertainty and contrasting perspectives and to use international networks to build alliances and influence key actors. The third suggests the need to combine subject matter expertise with a mapping of key actors in multilateral systems and associated decision-making processes. The last two bullets may require specific technical economic and legal competence to understand and use development and trade policy to achieve other local and/or global policy objectives.

Source: (Policy Profession, 2021^[30])

Once identified, these competencies need to be developed and managed through appropriate talent and career management mechanisms. Traditionally, in many governments, civil servants who excel in international skills tend to work in the ministry of foreign affairs and are managed in a separate Foreign Service system. However, global agendas also require significant technical sectoral expertise, for example on environmental matters. Conversely, there is also a need for civil servants working in specific policy areas in line ministries to be equipped with at least a minimum level of soft international skills. This raises the question of whether there are other ways of structuring careers in the public service so that international experience and expertise is accessible to a greater number of employees in ways that are relevant to their expertise.

Mobility is one possibility, which can be across ministries at the domestic level, for example between foreign affairs and line ministries, or between national governments and international organisations. Besides this, international mobility, whereby public servants spend time working in the public services of other countries, can be one way of enabling global competencies for all public sector officials. This has been practiced in some European countries, such as France, Germany or the United Kingdom. This could be encouraged through various means, and is apparently an area that few OECD countries use to its full potential.

Some recent initiatives are worth noting. A recent meeting of Ministers of Public Administration under the 2021 Portuguese Presidency supported the idea to encourage civil servants to undertake “exchanges” to develop global competencies, and also to work collectively on cross-border initiatives. The programme would allow for middle managers from EU public services to take part in a leadership development exchange programme in other EU central/federal government administrations. Stated objectives are to promote mutual learning and cross-border co-operation, improve networking, develop a more internationally-competent senior leadership cadre and foster a culture of European-oriented public service. The first phase of this pilot project involves 12 participants from Belgium, France, Portugal and the European Commission.

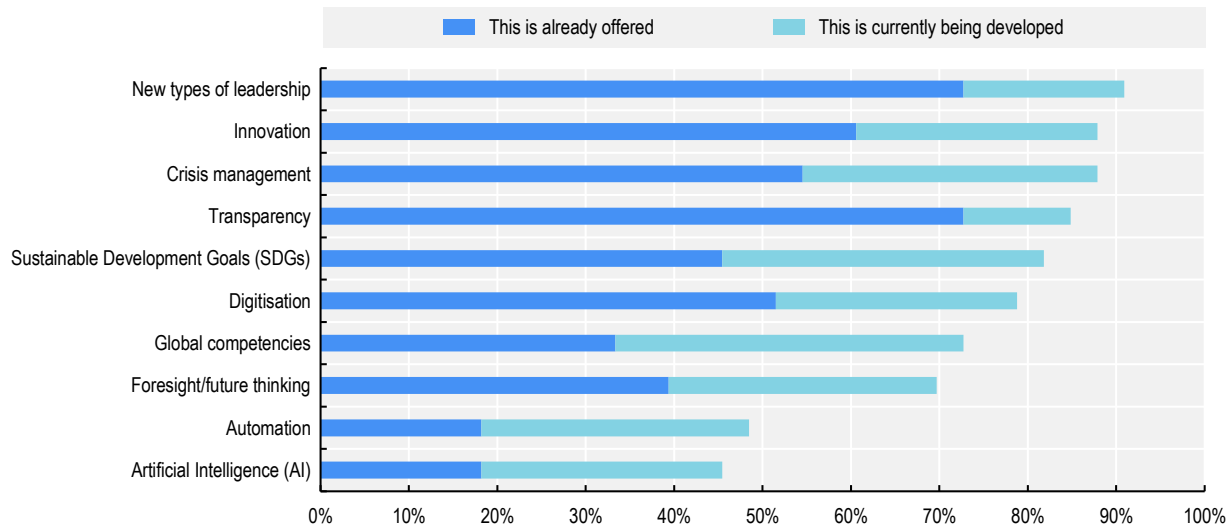
Promoting international mobility in the public service is not only about creating the opportunities, but also in getting the incentives right for employees to take advantage of them. In many cases, mobility programmes are under-utilised due to their perceived complexity, and the perceived value of them in the context of career development. Often, civil servants complain that the skills they developed while on secondment are not recognised, valued or used when they return. To make this kind of mobility work requires establishing mechanisms that reward investments in these skills. In the Netherlands, for example, mobility experiences are a prerequisite to advance to senior levels of the administration, and international experience is one of the recognised forms of mobility. This is a concrete way of promoting and valuing

international experience, as well as ensuring that senior level public servants have international competences to draw on.

Learning and development, such as training offered by schools of government, can also represent a useful means for promoting international skills. However, according to a recent survey, specific training in global competencies is not currently offered in a majority of schools although it is a topic that many schools are developing (Figure 3.2).

Figure 3.2. Curricula offered by Schools of Government, current and planned 2021

Type of topics currently offered or being developed (Preliminary data – to be updated)



Source: (OECD, forthcoming⁽³¹⁾).

Talent attraction and retention is also a key channel to increase the global competencies of public servants. This begins with the way jobs are promoted and marketed to prospective candidates: jobs should include some indication of these skills, so as to attract candidates with relevant experience and/or interest and mind-set. This can also be a way to attract younger generations to public service jobs, particularly those who are motivated by contributing to global issues, and looking for dynamic positions with the potential for a broader range of experience and career paths.

Hiring and retaining a more diverse set of public servants can also improve the global competence of the public service. Many countries may limit access to public service positions to citizens, and there may be other less visible barriers for entry to candidates whose family origins may extend beyond national borders. Promoting diversity as an important public employment policy objective, and ensuring that hiring and management practices are aligned with diversity and inclusion best practices, can contribute to a more globally competent public service. This can be very important for translation and security services, and also to ensure that democracies keep the capacity to fully grasp the actions of the full range of relevant international actors.

3.4. Leveraging governance tools and innovation to enhance capacity for global action

Global challenges also create opportunities for governments to revisit and upgrade public governance tools. This includes unlocking public budgets and public procurement and revamping rulemaking through international regulatory co-operation (IRC) and better regulation tools to address cross-border challenges. Thinking in global terms when investing in digital technologies and data, and promoting innovative thinking in government to go global are other important enablers to better anticipate and prepare for global challenges. This section discusses the scope for adjusting and upgrading governance tools to tackle global challenges more effectively. Grounded in the democratic values of transparency and accountability, the mobilisation of these tools can make a difference in solving global problems.

3.4.1. Spending resources better to deliver on global priorities

Public budgeting is the tool through which governments set out how they will prioritise and achieve annual and multi-annual policy objectives. Together with tax policy, budgeting tools provide a range of opportunities to prioritise expenditure in order to meet national and global well-defined priorities, such as climate change, or resilient and prepared health systems to future emergencies. In the case of some global agendas, such as the SDGs that touch on many aspects of expenditure, the budget provides an integrated governance tool, with specific tagging or targeting of expenditure in a coherent way.

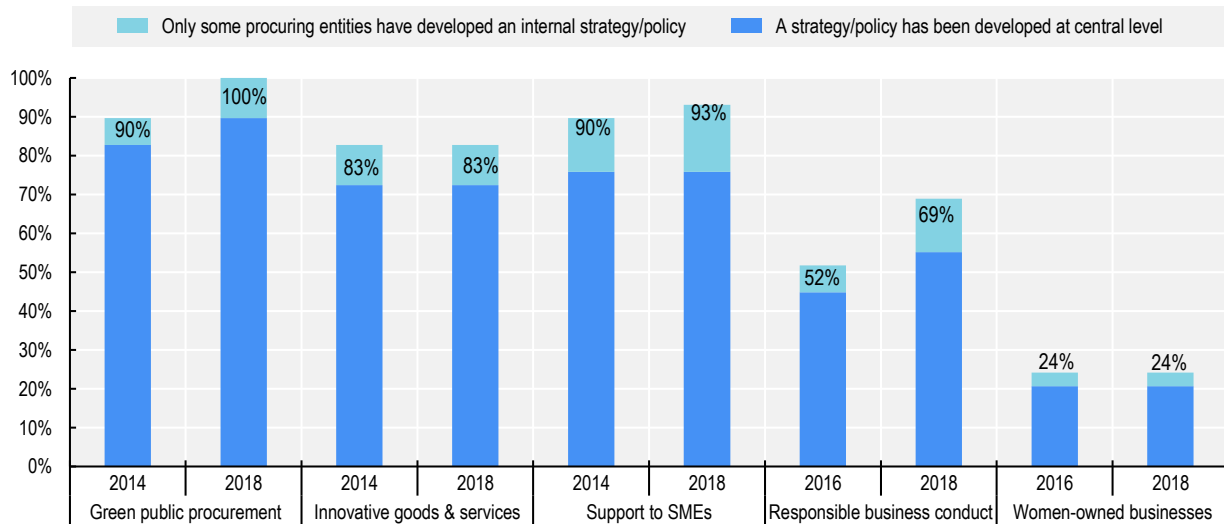
Countries are increasingly mainstreaming long-term global considerations into their budgeting tools:

- Green budgeting provides a key example of how governments use budgets as a powerful tool for aligning expenditure with broader national and international commitments and agendas. “Green budgeting” refers to the use of budgetary policy making tools to give policy makers a clearer understanding of the environmental and climate impacts of budgeting choices and help them achieve climate and environmental goals. These practices are becoming increasingly more common across OECD countries and show a path forward for countries to mainstream long-term global considerations into their budgeting tools (see Chapter 4 for a full discussion on green budgeting).
- Budgeting can also be used as a tool in the context of the Sustainable Development Goals (SDGs) through explicit and measurable presentation of SDG targets in budget allocations and reporting. The OECD works with countries to help integrate processes that ensure the SDGs are considered in the prioritisation and allocation of public resources.
- Integrated budgeting approaches can also support health-related investments to reduce global risks for pandemics or other health emergencies to ensure the resilience of health systems in the future, following the gaps highlighted by the COVID-19 pandemic.

3.4.2. Leveraging strategic public procurement

Strategic public procurement can ensure that procurement not only delivers goods and services to accomplish governments’ missions in a timely, economical and efficient manner, but also serves as a tool to respond to global challenges (OECD, 2020^[32]). Public procurement often remains underrated, and yet can represent a very powerful tool, as it accounts for 12% of GDP and 29% of total government expenditure (OECD, 2021^[1]).

OECD countries are steadily progressing in their use of public procurement to achieve key strategic policy objectives, many of which have a global dimension. This includes, for instance, improving health outcomes, tackling climate change, and promoting socially responsible suppliers into the global value chain (Figure 3.3) (OECD, 2019^[33]). (See Chapter 4 for a full discussion on green public procurement).

Figure 3.3. Pursuing strategic policy objectives in public procurement

Note: The chart is based on data from 29 countries that answered *both* the 2018 and one of the 2016/2014 Surveys on public procurement. Percentages give the sum of both categories. Countries indicating that some procuring entities developed an internal strategy/policy and that a strategy/policy has been developed at central level are included in the second category (i.e. a strategy/policy has been developed at central level).

Sources: (OECD, 2016^[34]); (OECD, 2018^[35])

The impact of strategic public procurement can be amplified through global value chains, with cross border implications. Through public procurement, governments can influence supplier standards by obliging businesses to incorporate responsible business conduct (RBC) considerations as a requirement to apply for public contracts (OECD, forthcoming^[36]). Such standards can relate to respect of human and labour rights, promoting inclusion and diversity, and preventing environmental damage, among other. Countries are gradually developing responsible public procurement frameworks that account for environmental and social considerations and setting up mechanisms to ensure that these requirements extend to subcontractors and other supply chain actors (OECD, 2020^[32]; OECD, 2021^[37]).

Co-ordinated and collaborative approaches at the national and supranational levels can also promote multiplier effects on the purchasing power of individual governments. Joint procurement efforts can help generate demand for sustainable products and services and create shared incentives to develop innovative solutions to global challenges. For example, as part of the Greening Government Initiative (The United States and Canada, 2021^[38]), governments are seeking to use their collective purchasing power to stimulate market innovation by joining forces to issue a common Request for Information on green vehicles. The Circular and Fair ICT Pact (CFIT), led by the Netherlands, illustrates how an international procurement-led partnership can build international bridges and support local outcomes through circular procurement. The CFIT promotes circularity, fairness and sustainability in the ICT sector by applying shared global ambitions in local tenders and by promoting the use of common, easy-to-use procurement criteria. Countries can leverage national procurement initiatives to support such international co-operation in this area. This demonstrates the scale and influence of public procurement when it is driven with strategic objectives.

More agile and co-ordinated public procurement can also help strengthen resilience to global shocks and challenges. The response to COVID-19 showed that collaborative approaches were key to strengthen countries' responsiveness for purchasing essential goods regional. Mechanisms included bilateral standardisation of procurement procedures, joint procurement agreements and lending agreements for essential goods. Cross-border sharing of information on risk-management intelligence, availability of

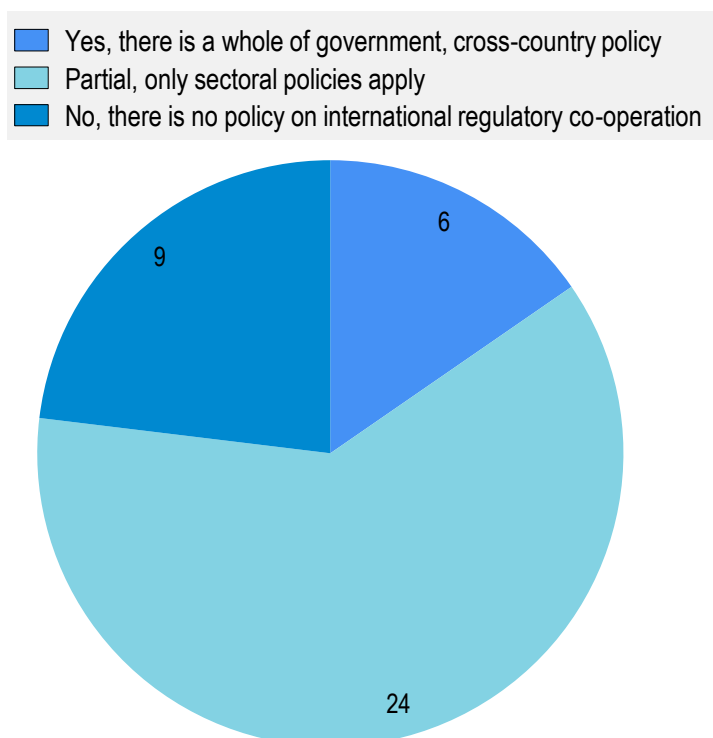
essential goods, prices, market research and contacts and brokers, can serve to inform procurement strategies and to smooth over global supply chain disruptions (OECD, 2020^[39]).

Beyond ensuring economic efficiency, strategic public procurement can support a stakeholder economy which reconciles competing interests from various stakeholders (Ramirez, McGinley and Churchhouse, 2020^[40]). For example, in relation to climate adaptation, the Danish strategy to engage in a broad renovation programme of public housing is an example of the combination of short-term impacts that create jobs and economic activity while also ensuring that retrofits include aspects such as insulation and energy efficiency on the construction industry. Looking forward, strategic procurement can help to build trust that all businesses can benefit from an integrated economy by engaging with SMEs to help promote access and further private sector innovation for global goals.

3.4.3. Revamping rulemaking to address global challenges through international regulatory co-operation

Despite the increasing need to deliver better on public policy objectives that require global action, domestic rulemaking is still constrained by rigid administrative and jurisdictional boundaries. An inward-looking approach to rulemaking can significantly impair the effectiveness of regulations – particularly for rules aimed at addressing transboundary challenges. Currently, only 13% of OECD members have a systematic, whole of government approach to international regulatory co-operation (IRC) (Figure 3.4) and the institutional arrangement for oversight of IRC remains fragmented across government authorities. Only four countries report their IRC agenda to be attributed to a single authority (OECD, 2021^[41]).

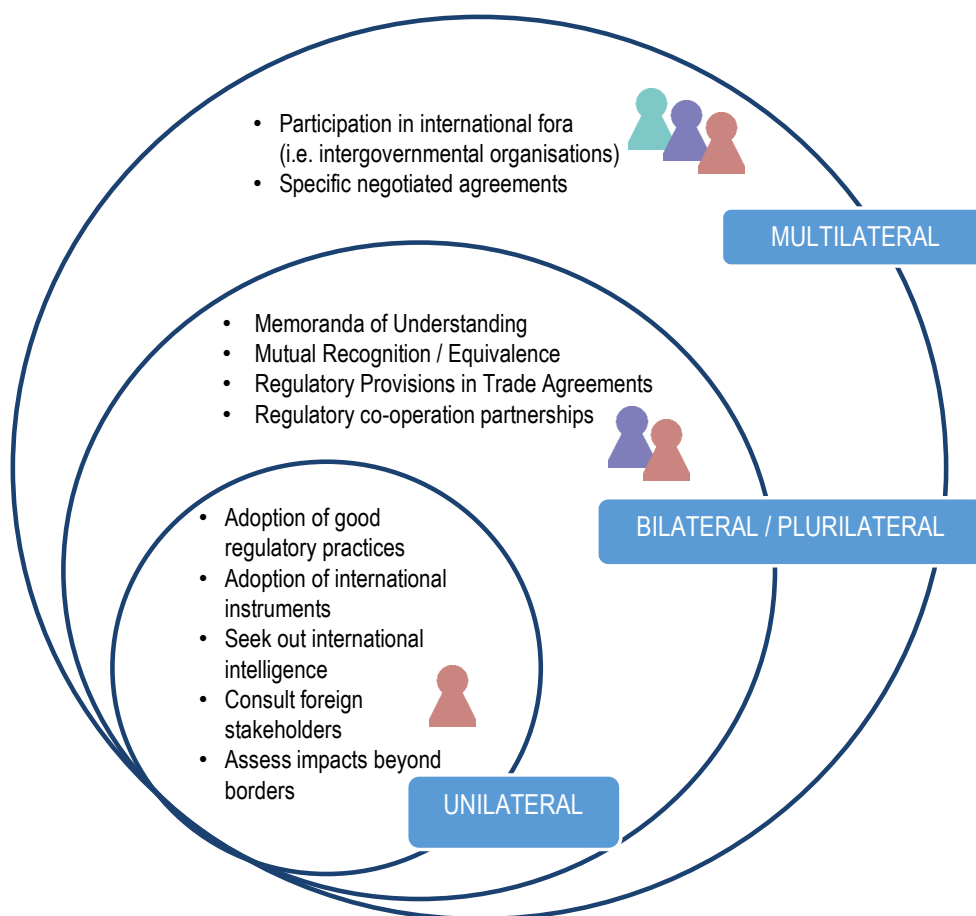
Figure 3.4. A large majority of OECD members do not have an explicit, whole of government, legal basis on international regulatory co-operation (IRC)



Note: Data for OECD Countries is based on the 38 OECD member countries and the European Union.
Source: Indicators of Regulatory Policy and Governance Survey 2020.

To be effective in the face of global challenges, laws, rules and regulations need to be better connected and co-ordinated across borders – IRC is critical for this. IRC covers any agreement or organisational arrangement, formal or informal, between countries to promote some form of co-operation in the design, monitoring, enforcement, or *ex post* management of regulation. It offers a variety of approaches that countries can use to promote the interoperability of legal and regulatory frameworks (see Figure 3.5). Rather than telling governments *what* policies to adopt, IRC empowers governments to decide on their strategic priorities while guiding them on *how* to best achieve their policy goals. In practice, IRC requires governments to rethink their traditional regulatory policy tools to support the needs of their citizens and business and to better manage global commons.

Figure 3.5. Approaches to international regulatory co-operation



Source: OECD (2021^[42]), *International Regulatory Co-operation*, OECD Best Practice Principles for Regulatory Policy, OECD Publishing, Paris, <https://doi.org/10.1787/5b28b589-en>

Regulatory co-operation can increase regulatory effectiveness and result in economic and administrative efficiency. This has been noticeable in the area of tax, where businesses operating globally were able to exploit gaps and mismatches between different countries' tax systems – or “forum shop” to base their activity in countries with the least costly tax system. This “base erosion and profit shifting” was estimated to cost governments USD 100-240 billion in lost revenues annually – the equivalent to 4-10% of the global corporate income tax revenue (OECD, 2021^[43]). These costs are now being addressed by preventing such forum shopping thanks to more than 2 700 bilateral agreements in tax matters and the collaborative work

of the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting including 141 countries and jurisdictions.

Public services in the digital space in particular require regulatory co-operation if they are to go global. Data governance, for example, needs to be addressed in global terms by agreeing on standards to ensure interoperability, sharing and re-use of data. This implies establishing common mechanisms for cross-sector and cross-border data sharing. The goal is not only to promote accessible and high data quality, but also to promote shared approaches to user experiences. The 2021 OECD Recommendation on Enhancing Access to and Sharing of Data (OECD, 2021^[44]) offers a set of principles and policy guidance to standardise national approaches to cross-sector and cross-border data sharing. The European Union has also adopted several Directives, Implementing Acts, and recommendations with the aim to promote a consistent approach to data management across countries.²

Trustworthy and portable digital identity is a concrete example of a digital tool that will be decisive for cross-border public service provision. The economic, social and environmental opportunities of achieving genuine portability across platforms and borders are considerable, as seen with the EU Digital COVID Certificate. However, these opportunities introduce challenges for countries to govern digital identity. Whilst countries are rightfully prioritising the development of national digital identity, the implementation of cross-border portability is still at a nascent stage (Table 3.1). As reported in the G20 Collection of Digital Identity Practices, only four G20 countries had implemented cross-border portability in 2021. Greater regulatory co-operation will be required.

Table 3.1. Portability of digital identity

	Cross-platform	Cross-sectoral	Cross-border
Argentina (Sistema de Identidad Digital)		X	
Australia (myGOV identity platform)	X		
Brazil (GOV.BR identity platform)	X		
Germany (German Citizen ID card; Electronic residence permit for non-citizens of EU/EEA area; eID for EU citizens)	X	X	X
Italy (Public Sector Digital Identity System, Electronic ID Card, National Services Card)	X	X	X
Saudi Arabia (Digital ID via Tawakkalna and Abssher apps)	X	X	X
Singapore (Singpass and Corppass)	X	X	
Spain (Electronic National Identity Document)		X	X
Türkiye (e-Government Gateway identity platform)	X		
United Kingdom (GOV.UK Verify)	X		

Note: Information was gathered through the G20 Digital Identity Survey and desk research to inform the discussions of the G20 Digital Economy Taskforce in 2021, under the Italian G20 Presidency.

Source: OECD/G20 (2021) "G20 Collection of Digital Identity Practices".

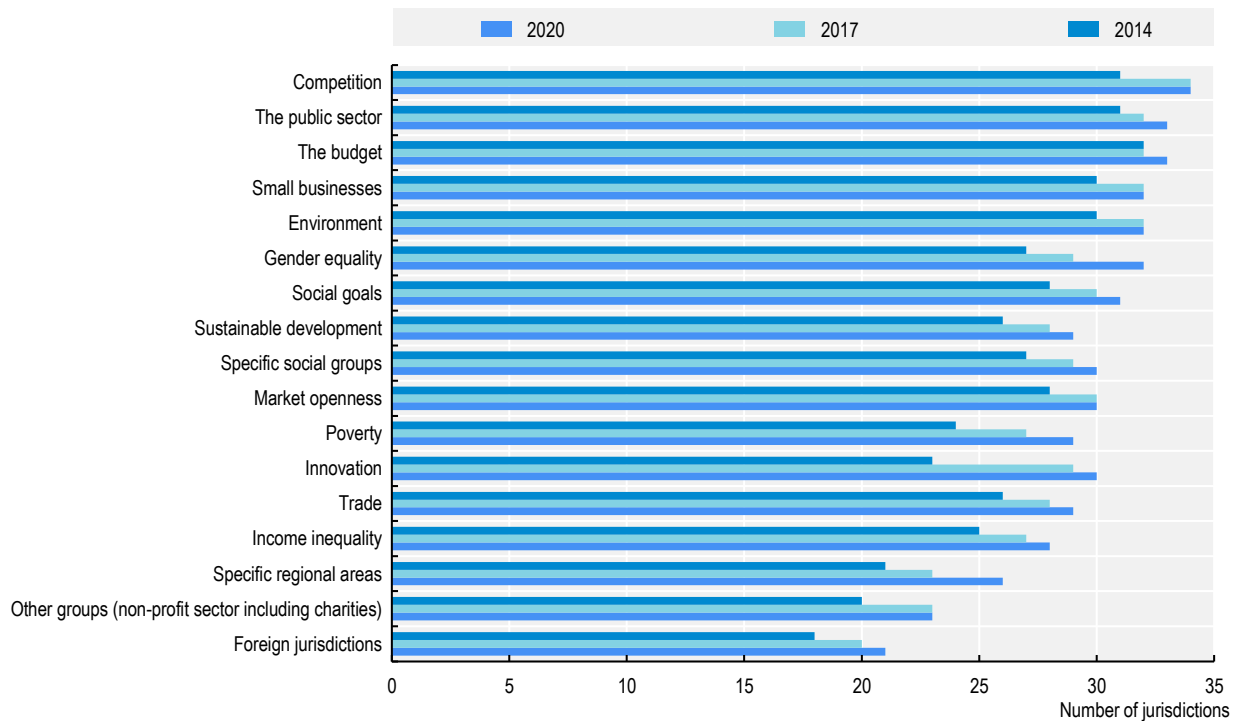
The new *OECD Recommendation on International Regulatory Co-operation to Tackle Global Challenges* (OECD, 2022^[45]) supports policy makers and regulators in adapting their domestic regulatory frameworks to the international environment and increase their resilience to future crises. It focuses on three pillars: building a whole-of-government approach to international co-operation, considering an international lens in domestic rulemaking, and ensuring bilateral, international, and multilateral regulatory co-operation.

For regulators to more systematically consider international instruments³ in their rulemaking activities, these instruments need to be of high quality, widely and easily accessible, and fit to serve the public interest. OECD evidence highlights the complexity of international rulemaking, which encompasses a landscape of "over 70 000 international instruments" (OECD, 2021^[46]). Ensuring the quality and effectiveness of international instruments is key to successfully address global challenges. International

Organisations (IOs) provide a permanent framework for IRC as platforms for sharing data and experiences; as well as consensus-building and the adoption of common approaches (OECD, 2021^[46]). Governments can leverage on IOs to strengthen action for global challenges, for example, through specific co-ordination to address complex and multi-sectoral issues (e.g. One Health, bringing together FAO, WHO, OIE, and UNEP) or calling for more innovative forms of public-private multi-stakeholder partnership (e.g. Covax). The IO Partnership for effective international rulemaking (OECD, n.d.^[47]) can help governments in scanning the existing landscape and identifying the most relevant and effective collaboration opportunities.

Regulators can also revamp traditional regulatory governance tools to promote an international lens in domestic rulemaking. For instance, reflecting green impacts in regulatory impact assessment (RIA) is a useful approach to ensure that due consideration is given to the impact of any new regulation to achieving domestic or international environmental commitments. While all OECD members consider environmental impacts in RIAs (Figure 3.6), much fewer Members systematically require environmental impacts of their regulations on foreign jurisdictions to be considered (OECD, 2021^[41]).

Figure 3.6. OECD regulators are assessing regulatory impacts on increasing number of factors, but still rarely consider impacts on foreign jurisdictions



Note: Data are based on 34 OECD member countries and the European Union.

Source: Indicators of Regulatory Policy and Governance (IREG) Surveys 2014, 2017 and 2021.

3.4.4. Promoting innovative thinking in government towards global action

Innovative tools such as international collaboration in policy experimentation, mission-oriented innovation and ground-up intelligence techniques can support governments in tackling cross-border issues. Using innovation to address global challenges requires “opening up bureaucracies” in processes of creating problem solving. The goal is to counter established practices and cognitive and normative underpinnings, triggering transformative learning processes while building joint ownership over new and bold solutions. At the same, continuous iteration and testing new ideas and solutions in agile ways can help promote learning

and rapid delivery while keeping risk levels manageable. Still these approaches are often hampered in the public sector by a series of factor including:

- Undeveloped or poorly understood cross-border ecosystems.
- Culture resistance to open and non-linear activities and processes.
- A lack of feedback and learning loops for testing new ideas.
- Absence of a cross-border facilitator to build relationships and drive progress.

3.4.5. International collaboration in policy experimentation

Experimentation can help design, test, and evaluate policy outcomes. The capacity for co-ordinated multilateral experimentation is crucial for broadening the understanding of the conditions of success of a given policy to tackle a global challenge. Therefore, there is a need to conduct experimentation across borders and jurisdictions to tackle global issues such as climate change.

The use of cross-border experimentation has benefited from a growing international community on Behavioural Insights (BI), which can mobilise useful approaches to design and scale successful policy solutions. The OECD is supporting such cross border efforts through its Online Behavioural Insights tool, which includes an Interactive [BI Unit Map](#); featuring units across 43 countries, an International [Project Repository](#), including more than 100 BI projects, and a [Pre-registration Portal](#) to allow BI practitioners to actively engage in knowledge-sharing and scientific rigour by sharing pre-analysis plans with the behavioural science community at the early stages of BI experimentation and policy testing. Through collaboration and co-production, BI experts working together from different countries are able to generate unique insights to address complex policy issues, including global challenges. A recent example includes work with Canada using BI to help broaden policy makers' knowledge of citizens' acceptance and engagement with green policies, equipping decision makers to evaluate and assess the effectiveness of active or proposed green policies, and providing empirical evidence to better anticipate and prepare for future challenges surrounding (see Chapter 4).

3.4.6. Mission-oriented innovation

Mission-oriented innovation is also a promising tool which can help solve the wicked challenges facing governments today, such as achieving ambitious climate goals. Mission-oriented innovation involves a systemic approach including policy and regulatory measures mobilising science, technology and innovation. These measures span different stages of the innovation cycle from research to demonstration and market deployment, mix supply-push and demand-pull instruments, and cut across policy fields and disciplines" (Larrue, 2021^[48]). Using mission-oriented innovation implies framing global societal challenges through measurable, ambitious and time-bound targets, such as achieving carbon-neutrality by 2030. Then, the public sector takes an active role in convening and co-ordinating actors and resources around the complex, cross-sectoral, and cross-national issues that cannot be solved by individual actors alone. A survey from the OECD Observatory of Public Sector Innovation conducted in 2022 shows that mission-oriented innovation can help address the lack of consensus between different political parties by focussing efforts towards a shared goal (OECD/Danish Design Centre, 2022^[49]).

Mission-oriented innovation has been tried in various fields that touch upon global challenges, such as health, technology, and environment. The European Commission has adopted the mission-oriented innovation framework in five areas: Adaptation to Climate Change including Societal Transformation; Cancer; Healthy Oceans, Seas, Coastal and inland Waters; Climate-Neutral and Smart Cities; Soil health and Food. National governments have also adopted such approaches, for example the mission-driven green research and innovation partnerships launched by the Innovation Fund Denmark. Missions present an opportunity for the public sector to focus attention and resources on the key issues of our time and in doing so to address the challenges that are critical to the well-being of citizens in a frontal manner.

However, as an emerging field, there is a need for identifying the capabilities required to deliver mission-oriented innovation, for putting in place appropriate accountability and evaluation mechanisms, and setting-up long-term governance frameworks for missions with targets set for 2030 or 2050. This is currently supported by the OECD Mission Action Lab (Box 3.5).

Box 3.5. Supporting governments to tackle mission-oriented innovation through multidisciplinary approaches through the OECD Mission Action Lab

The OECD Mission Action Lab established in 2021, focuses on supporting governments with the implementation challenges of missions to enable mission oriented innovation. The Lab concentrates specifically around governance of missions, managing a portfolio of innovations related to the mission, and evaluation of missions. In co-ordination with research partners, the Lab supports the following elements:

- Development of diagnostic tools and methods for assessing the needs and framework conditions related to the adoption of mission-oriented innovation approach as well as practical tools and methods based on applied learning.
- Sharing of good practices regarding mission implementation (e.g., project portfolio approach, blended funding, monitoring, systemic evaluation, bundling of supply and demand side policy instruments, etc.).
- Design of governance mechanisms for mission-oriented innovation across a variety of settings, including from national, sub-national and cross-border perspectives.
- Analysis and testing of suitable mechanisms to include stakeholders, especially groups that traditionally do not engage with government-led initiatives.
- Development of specific tools to steer mission-oriented innovation portfolios and ecosystems as well as monitoring and evaluation of missions.

Source: This reflects a joint effort of the Observatory of Public Sector Innovation, the Science, Technology, and Innovation Directorate, and the Development Co-operation Directorate at the OECD.

3.4.7. Protecting global action from undue influence

Global actions led by democracies to promote international co-operation to address major challenges can also be vulnerable to undue influence, whether from major private interest or from foreign actors. A wide range of economic sectors and industries may have stakes in the outcome of global policy debates and negotiations.

At the same time, engaging with public decision makers is also crucial for businesses, trade associations, unions, and other group of interests affected by related regulations or other forms of public decisions to tackle global challenges. In general public decision makers can make use of a wide range of approaches for stakeholder consultations, from parliamentary hearings, to the appointment of *ad hoc* bodies and expert groups, or scheduled appointments with political leaders, so that interest groups can exercise their influence and raise their points. The specificity of addressing global challenges lies in the fact that a significant share of these stakeholders may be foreign or global entities, or with particularly high stakes at play, for example the tech companies in the case of the digital transformation. Therefore, it is crucial to also address the risk of undue influence in order to effectively address global challenges.

Increasing evidence shows that the abuse of lobbying and other influence practices can block domestic progress on the implementation of global policies. For example, in relation to climate change, an analysis

of a major oil and gas company's internal documents and communications between 1977 and 2014 found that, while its own research had established that climate change was caused by human activity, the company engaged in various practices, notably publishing opinion pieces in newspapers, to raise doubt, influence public opinion and reduce regulatory pressures (Oreskes and Conway, 2010^[50]; Supran and Oreskes, 2017^[51]). In the past, oil and gas companies have been leading contributors to think tanks and front groups questioning established climate science, or funding misleading climate-related branding campaigns or social media advertisements (InfluenceMap, 2019^[52]; Graham, Daub and Carroll, 2017^[53]). With limited transparency on who is behind such organisations or campaigns, there is a risk of misleading or confusing public opinion.

To ensure greater transparency of the interests that have the potential to lobby in domestic decision making of global relevance, governments can use tools such as those described in the OECD Lobbying Report (OECD, 2021^[54]):

- Lobbying registers, scaling up disclosure requirements to include information on the objective of lobbying activities, its beneficiaries, the targeted decisions and the types of practices used, including the use of social media as a lobbying tool. For example, in April 2021, the European Union adopted an inter-institutional agreement between the European Parliament, the Council of the European Union, and the European Commission on a mandatory transparency register, making mandatory for interest representatives to register themselves before carrying out certain lobbying activities relating to any of the three signatory institutions. The agreement also covers so-called "indirect" lobbying activities which have been increasingly important during the COVID-19 pandemic.
- Making public the agendas of key public officials involved in relevant decision-making processes (e.g. digital, health and environment Ministers).
- Mandating *ex post* disclosures of how legislative or regulatory decisions were made. The information disclosed can include the identity of stakeholders met, public officials involved, the objective and outcome of their meetings, as well as an assessment of how the inputs received were integrated into the final decision.
- Expanding corporate political spending disclosure requirement to enhance public scrutiny of corporate engagement in relevant global policy-making processes. For instance, companies concentrated in the fossil fuel and energy-intensive sectors have faced increasing criticism from investors, shareholders and consumers for using climate commitments or sustainability policies as a smoke screen to display a public image of climate responsibility while lobbying to delay or block binding climate policies, or providing donations to candidates who are against strengthening climate-related regulation. In recent years, pressure from investors and leading asset managers to better take into account corporate lobbying and political financing as a risk to the environmental, social and governance (ESG) performance of companies has been a key factor influencing companies' business strategies. In the area of climate, the number of shareholder proposals concerning corporate political engagement disclosures has increased significantly over the last decade, to become one of the most popular types of shareholder resolutions submitted to a vote (InfluenceMap, 2021^[55]; Glass Lewis, 2021^[56]). More disclosure on lobbying spending and political contributions – with better transparency on ESG goals and results – would allow investors and other stakeholders to evaluate how, for example, lobbying and political spending activities and sustainability initiatives might have conflicting goals.

Ensuring that the appointment of *ad hoc* advisory bodies and expert groups is accompanied by adequate transparency and integrity safeguards to ensure the legitimacy of their advice. To meet global goals, governments may rely on special independent advisory bodies and expert groups, such as – in the field of climate change – the High Council on Climate in France, the Climate Change Advisory Council in Ireland and the Committee on Climate Change in the United Kingdom. Depending on their status and mandate,

their missions may include providing objective analysis to the Parliament and/or the Government on climate-related risks and analysis. The composition of these bodies may consist solely of researchers or academics, or rely on broader membership (Weaver, Lotjonen and Ollikainen, 2019^[57]; Averchenkova, Fankhauser and Finnegan, 2018^[58]). Private sector representatives participating in these advisory groups have direct access to policy making without being considered as lobbyists, and may, whether unconsciously or not, favour the interests of their company or industry, which may also increase the potential for conflict of interest. As of 2019, only 47% of OECD countries provided disclosure on participants in advisory groups, leaving considerable room to transparency. To enable public scrutiny, information on a group's structure, mandate, composition and criteria for selection should be made available online. It is also necessary to adopt rules of procedures for such groups, including terms of appointment, standards of conduct, and most importantly, procedures for preventing and managing conflict of interest (OECD, 2021^[54]).

Some autocratic regimes are also actively investing in international organisations and related global governance structures. It is therefore essential to balance undue influence of select actors and autocratic regimes, and the subsequent development of biased policies. While a number of international organisations⁴ have initiated action in this area, there is scope for improvement. Countries should therefore promote reforms which can be inspired by good practices and in line with existing standards, including the OECD Principles for Transparency and Integrity in Lobbying.

3.5. Building resilience to foreign undue influence

In the globalised world, democracies face a number of challenges. This includes the destabilising impacts of some foreign undue influences on democracy, including from some autocratic regimes.

Some autocratic regimes have the potential to destabilise individual democracies in OECD countries on three main levels. First, they can exploit loopholes to spur dis-information campaigns, distribute malign political financing, and provoke foreign interference in domestic policy making.⁵ Second, democracies may also be vulnerable to illegal and illicit activities, such as corruption and illicit trade. Third, the global action of democracies to address major challenges can also suffer from undue influence both from foreign actors and powerful private interest through lobbying, as covered in the previous section. Despite the many efforts from the international community, the proceeds of some of these activities tend to creep into democracies' economies as they often offer safer havens.⁶ Taken together, these contribute to weakening internal cohesion in democratic societies, inciting perceptions that democracies are dysfunctional, corrupt, and untrustworthy and that they can be easily bought, which can ultimately lead to increased support for non-democratic forms of government (Zelikow et al., 2020^[59]).

Maintaining the openness of democracies in a globalised world therefore requires investments in further protecting them from foreign destabilisation of their own model. This means identifying and countering foreign threats and assessing the risks. Strengthening resilience to these risks requires a number of mutually supportive actions, including preventing mis- and dis-information; strengthening integrity and transparency in lobbying and all forms of influence including political financing; strengthening integrity and transparency in the not-for-profit and educational sectors, tackling faulty citizenship-by-investment and residence-by-investment (CBI/RBI) schemes; as well as closing critical gaps in illicit trade, anti-money laundering, beneficial ownership, and tax transparency frameworks through wide ranging multidisciplinary approaches.

3.5.1. Recognising the threats to democracies from autocratic regimes

Evidence concerning the scope and reach of practices used by some autocratic regimes to interfere in the domestic affairs of democracies is mounting. They have used several means to gain influence in

democratic countries. Some may be openly and legitimately channelled through their embassies or permanent representatives who engage directly in some of the democratic debates of their host countries. However, many methods and avenues pose a risk to democracies as they operate in the shadow, and are considered “foreign interference” activities, as they concern “covert, deceptive and coercive activities undertaken by (or on behalf of) foreign actors to advance their interests or objectives”.⁷ In particular, such activities include dis-information campaigns, leveraging loopholes in lobbying and political financing frameworks to interfere in decision- and policy-making processes, efforts to undermine media freedom, and co-opting of civic institutions for various means. These actions can undermine public trust in democracies and can have a transformative impact on domestic and foreign policies, the electoral system, economic interests and national security (OECD, 2021^[54]). Some OECD countries are already taking action and their responses can serve as good practice for strengthening democracies resilience to global risks.

Spreading mis- and disinformation

The spread of mis- and disinformation poses a fundamental threat to the free and fact-based exchange of information that forms the bedrock of democratic life (see Chapter 1). While mis- and disinformation is a complex and multidimensional phenomenon, addressed in Pillar 1 of the Reinforcing Democracy Initiative, it can also be affected by the action of some autocratic regimes. Recent events, including the spread of vaccine disinformation during the COVID-19 pandemic, the 6 January 2021 attack on the US Capitol, and Russia’s aggression against Ukraine, underscore how foreign-led false and misleading information can weaken democracies’ ability to set the terms of an evidence-informed and fact-driven democratic debate, to protect their national interests and preserve national security. Such action has the potential to erode confidence in the values of democracy. While the actors spreading mis- and disinformation are numerous, evidence shows that some of the campaigns emerge from autocratic regimes. For example, data published by large online platforms on the origins and targets of campaigns show that the platforms have specifically taken action against campaigns emerging from large autocratic countries (Bradshaw and Howard, 2019^[60]). The targets of these campaigns include a growing number of countries, many of whom are democracies: a 2019 report notes an increasing trend in the amount of countries experiencing disinformation campaigns, from 28 in 2017 and 48 in 2018, to 70 in 2019 (Bradshaw and Howard, 2019^[60]). In March 2021, the European Union’s EUvsDisinfo project reported that Germany has been the primary target of Russian disinformation campaigns since 2015, with 700 cases of disinformation in reporting targeting Germany, 300 targeting France, 170 for Italy and 40 for Spain (EU Disinfo Lab, 2021^[61]).

Some autocratic regimes use a number of tactics to target democracies with false information. For example, they translate false information into French, German and Spanish, thereby enabling them to achieve higher engagement with online articles than with established news sources such as major national news outlets (Oxford Internet Institute Programme on Democracy & Technology, 2020^[62]). The targeting of Spanish-speakers particularly in Latin America can be viewed as an attempt to assert geopolitical influence in a region in which it has economic interests, while strengthening polarisation in the process (Philips et al., 2020^[63]). Another common tactic is to encourage foreign journalists to pursue discredited theories.

Measures to strengthen democracies’ resilience to mis- and disinformation are explored in detail in Pillar 1. They include (i) preparing for and responding to the publication and spread of mis- and disinformation; (ii) preventing the publication and spread of mis- and disinformation through measures aimed at increasing transparency; and (iii) reducing the economic and structural drivers of mis- and disinformation (see Chapter 1).

Capitalising on loopholes in lobbying and political finance mechanisms

While influence activities by foreign governments are legitimate activities, challenges arise when foreign actors circumvent existing rules, or influence democratic governments via opaque means. For example,

lobbying by companies close to some autocratic governments raise national security concerns in democracies where they are active (OECD, 2021^[54]). There are concerns that the use of technological equipment from some companies could provide openings for espionage activities, or could undermine economic security due to theft of trade secrets and intellectual property.⁸

Some can also attempt to influence policy- and decision-making processes by capitalising on loopholes in political finance frameworks. Such loopholes include using in-kind donations, intermediaries to court favoured donors, politicians and parties, opaque corporate structures to obscure the origin of donations, as well as cryptocurrencies and cashless cards. Additional tactics include buying political ads on social media and providing funding to print and broadcast media in democratic countries, as well as using clubs, companies, and councils as donors as a way to avoid disclosure.⁹ They can also offer seats on the board of major state-owned enterprises to former politicians, to buy influence. Through these various loopholes, non-democracies channel funding to political parties, candidates, campaigns or politically influential groups and elites in democratic regimes.

To build resilience against the misuse of lobbying and political finance mechanisms, democracies have a number of tools at their disposal. For example, to address the risks presented by foreign interference through illegitimate lobbying activities, democracies could improve transparency on which foreign actors are lobbying whom, and on what issues. Currently, only four OECD members have mechanisms (including transparency in lobbying) in place to address the risks posed by foreign lobbying (OECD, 2021^[54]). Moreover, to prevent political finance mechanisms from being used as a tool to co-opt democracies, democracies can close the various loopholes that exist in their respective regulations. For example, governments can broaden definitions of in-kind contributions, improve disclosure surrounding use of shell companies, non-profits and small donors, impose restrictions on the functions that can be exerted by former politicians with nationwide responsibilities through stricter revolving door practices, ensure transparency in online purchasing and media outlet funding, and require mandatory reporting of offers of assistance from foreign powers.

Some democracies have gone a step further in boosting their resilience to foreign interference, by developing targeted strategies and assigning responsibilities to key institutions for identifying, responding to, and building resilience against foreign interference. For example, Australia has established a *Counter Foreign Interference Strategy*, which includes five pillars: (i) enhance capability to meet current and future needs; (ii) engage at-risk sectors to raise awareness and develop mitigation strategies; (iii) deter the perpetrators by building resilience in Australian society; (iv) defend directly against foreign interference activity through a co-ordinated government response; and (v) enforce Counter Foreign Interference laws, by investigating and prosecuting breaches (Australian Government Department of Home Affairs, 2022^[64]). In Canada, efforts are underway to strengthen understanding of foreign interference techniques by responsible government entities, as well as strengthen their co-operation to address the threats.¹⁰ Moreover, the parliamentary committee responsible for reviewing foreign interference threats also emphasises the necessity of public integrity to counter the threat. In particular, the Committee noted that “Cabinet Ministers should [...] be reminded that, consistent with the *Conflict of Interest Act*, public office holders must always place the public interest before private interests.” (The National Security and Intelligence Committee of Parliamentarians, 2019^[65]).

Abusing civic, academic and educational institutions

It is increasingly documented how some foreign actors use the charity and educational sectors to alter their reputations. Measures can include endowing a programme or an institute, being a guest-speaker or lecturer at high-profile events, or gaining preferential admission to academic institutions.¹¹ The risk to democracies is clear when actors from some autocratic regimes are able to improve their reputations through “virtuous” activities and are allowed access to corporate and political interests.

Actors from some autocratic regimes are also undermining educational, social and cultural institutions in democracies. For example, documented cases of foreign interference in the educational sector have cited measures such as:

- Demanding or pressuring academic institutions or staff to change academic programmes for benefit of a foreign political, religious or social agenda.
- Using different means to attempt to alter or direct a university's research agenda into particular areas of research.
- Targeting and recruiting staff and students to further a foreign actor's interests.
- Cyber targeting by exploiting network vulnerabilities and unauthorised access (Australian Government Department of Education, Skills and Employment, n.d.^[66]).

Strengthening resilience against interference by some autocratic regimes in these institutions requires addressing gaps in integrity and transparency standards. For example, governments could require that these institutions have a sound governance structure in place (including clear lines of transparency, accountability and integrity standards, and internal control and risk management measures), as well as require the sector to report publicly on the donors, amounts donated and any major stipulations attached to such donations.¹²

Undermining the enabling environment for media and civil society

An enabling environment for media and civil society organisations is essential for holding democratic institutions accountable. Such an environment relies on a framework allowing for freedom of opinion and expression, freedom of association, peaceful assembly, and the right to participate in public affairs. Moreover, an enabling environment ensures that media, including investigative journalists, can carry out their watchdog functions without needing to self-censor out of concern for retribution (legal or otherwise) (OECD, 2020^[67]). However, when foreign actors interfere, cases are emerging of attempts to undermine this enabling environment. In some jurisdictions, some autocratic actors are using the “threat of endless legal action and associated costs to pressure their opponents under defamation and privacy laws” (Government of the United Kingdom, 2022^[68]). This chilling effect often leads to self-censorship in the process, as journalists refrain from research, editors refrain from commissioning articles, and lawyers advise against publication (Bullough, 2022^[69]).

An enabling environment for media and civil society ensures that defamation laws are fit-for-purpose to allow reporting in the public interest and establish close oversight of concentration in major public media, and the role of foreign shareholders in major news outlets. Other policies that could be explored include capping costs that claimants can recover from litigation, to prevent it from being a tool waged to financially undermine investigative journalists and publishers and strengthening the application of antitrust law in the media and news operations (Government of the United Kingdom, 2022^[68]).

3.5.2. Addressing other direct and indirect harms of some autocratic regimes

Democracies can also suffer from a large array of activities carried out by some autocratic regimes which involve corrosive effects on citizens, governments, industries and societies as a whole. The growing threat of illicit trade is a prominent example of such global risks. Similarly, Residence by Investment and Citizen by Investment (RBI/CBI) schemes can be used and abused to hide or facilitate financial and economic crimes, including corruption, tax evasion and money-laundering.

Illicit trade

Illicit trade provides some regimes with significant revenues, either as direct proceeds of illicit trade, or indirectly as economic profits of facilitation of illicit trade originating or transiting through them. The scale of illicit trade is staggering; for example, OECD research estimates that only illicit trade in counterfeits amounted to USD 460 billion in 2019 (OECD/EUIPO, 2021^[70]). Even if these regimes can appropriate only a fraction, it remains a significant source of revenue that can in turn finance foreign interference activities in democracies. Another example are free trade zones that often do not have adequate transparency and oversight, and consequently offer opportunities for illicit trade in many countries (OECD/EUIPO, 2018^[71]).

Evidence highlights that some autocratic regimes act as enablers of illicit trade by producing and supplying illicit goods, or by allowing for misuse of their logistical infrastructure in illicit trade operations. For example, OECD research shows that countries with good logistical trade infrastructure but with weak governance and rule of law are likely to emerge as important enablers of illicit trade (OECD/EUIPO, 2018^[72]). Illicit trade has extensive effects on trade, employment, innovation, citizens' health and safety, as well as the environment that affect industries, governments, consumers and society in democratic countries. Criminal networks that drive illicit trade reduce the market share of legitimate businesses and undermine innovation. For sectors such as fake pharmaceuticals or substandard chemicals, the health and safety of consumers may be put at significant risk, and environmental damage can emerge.

Addressing these challenges requires for governments and private actors to take action. To start, governments can seek collaboration with relevant trade intermediaries, including Know-Your-Customer (KYC) protocols to build capacity to detect trade routes that could benefit circumvention of sanctions. Other measures include ensuring interoperability of enforcement systems, capacity building of enforcement and surveillance activities, and improving internal collaboration between relevant national agencies. The OECD Recommendation on Countering Illicit Trade: Enhancing Transparency in Free Trade Zones (OECD, 2019^[73]) also offers a standard to reduce the scope for many of these zones to be used as trafficking hubs.

Residence by investment and citizen by investment schemes

Wealthy citizens and connected actors from some autocratic regimes may also abuse Residence-by-Investment (RBI) and Citizenship-by-Investment (CBI) schemes to hide or facilitate financial and economic crimes, including corruption, tax evasion and money laundering. For example, when due diligence measures are weak or insufficient, RBI/CBI schemes may be misused for money-laundering purposes. This risk can be particularly prevalent when a politically exposed person (PEP) is the beneficiary of the scheme (OECD, 2019^[74]).

Evidence has also found that certain RBI/CBI schemes could be used to facilitate tax evasion, where documentation issued under RBI/CBI schemes used to misrepresent an individual's jurisdiction of tax residence, thereby enabling them to avoid reporting to their actual jurisdiction of tax residence (OECD, 2019^[74]). Moreover, a lack of transparency and internal controls within RBI/CBI schemes can also elevate the risk of bribery, for example, in exchange of expediting and facilitating application processes. The involvement of intermediaries such as advisory firms, also increases the schemes' corruption risk. With only a small number of firms with opaque ownership structures operating in the industry, the risk of corruption is further elevated (OECD, 2019^[74]).

3.6. Conclusions

Globalisation presents a number of public governance challenges for democracies. While it has brought many economic and social benefits, it has also made the environment for policy making and citizen

engagement more complex and has opened up some loopholes for foreign undue influence. The open and transparent environment of democracies and market based economies, offers many opportunities that can be leveraged to capitalise on loopholes, to abuse civic and educational institutions and to corrupt and influence national elites.

It calls for democracies to both build up public governance capacities to address global challenges, while recognising and responding to the threats posed by some autocratic regimes, and the dark side of globalisation. This calls for a wide range of measures, including increased awareness, capacity to set leadership and vision and to promote unbiased debates with citizens on global actions, to maintain trust and show that democracies are up to the challenge. Efforts need to be conducted at the national level, for example through proper monitoring of progress, investment in skills, adoption of innovative approaches, thinking global when applying regulatory governance tools and ensuring transparency in lobbying. Beyond the need for co-operation and co-ordination, there is also a quantum leap that is needed to fully grasp the threats posed by some autocratic regimes, with the realisation that democracies can be vulnerable through multiple types of abuses. This calls for measures to close loopholes, tackle mis- and dis-information and combat illicit trade amongst many others.

The nature of these challenges will require global collective action, to deliver change, and increase the resilience of democracies to foreign threats, and strengthen their capacity to address global challenges. Central to the success of this action will be ensuring that democracies remain open while addressing the vulnerabilities identified. An Action Plan to support this agenda will be developed by the OECD Public Governance Committee in due course (see www.oecd.org/governance/reinforcing-democracy/).

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Notes

¹ In this chapter, we focus on national government capacities to address the global challenges that require global responses, such as climate change and other aforementioned problems with clear transboundary dimensions and knock-on effects. We distinguish these global challenges from the socioeconomic trends associated with globalisation that are commonly faced by most countries around the world, but can be addressed largely at the domestic level, such as increasing inequalities or demographic pressures from ageing populations.

² For example the European Interoperability Framework (EIF), the INSPIRE directive, the Open Data Directive, and the Proposal for a Data Governance Act.

³ In line with the approach taken in the OECD Best Practice Principles on International Regulatory Cooperation (2021), this document refers to the broader term of international instruments as including treaties, legally binding decisions, non-legally binding recommendations, model treaties or laws, declarations and voluntary international standards.

⁴ For instance, the WHO adopted a “Framework of engagement with non-State actors” in 2016, mandating the conduction of due diligence and a risk assessment before engaging with any non-State actor, including non-governmental organisations, private sector entities, philanthropic foundations, and academic institutions. Moreover, when the Secretariat decides on an engagement with a non-State actor, a summary of the information submitted by the concerned entity, held in the WHO register of non-State actors, is made public. The framework also establishes a register which contains, amongst other things, information on the aims and objectives of the entity as they appear in its constitution or by-laws or equivalent document, and the activities of the entity as related to the strategic priorities and outcomes of the WHO's General Programme of Work.

⁵ See for example Heathershaw et al. (2021^[75]), “The UK’s Kleptocracy problem: How servicing post-Soviet elites weakens the rule of law”, Chatham House, <https://www.chathamhouse.org/2021/12/uks-kleptocracy-problem>; Rudolph and Morley (2020^[76]), *Covert Foreign Money: Financial loopholes exploited by authoritarians to fund political interference in democracies*, Alliance for Securing Democracy, <https://securingdemocracy.gmfus.org/wp-content/uploads/2020/08/ASD-Covert-Foreign-Money.pdf>; Martin, Shapiro and Michelle (2019^[77]), *Recent Trends in Online Foreign Influence Efforts*, Journal of Information Warfare; Bradshaw and Howard (2019^[60]), “The Global Disinformation Disorder: 2019 Global Inventory of Organised Social Media Manipulation”, No. 2, Project on Computational Propaganda, Oxford, UK, <https://demtech.oii.ox.ac.uk/research/posts/the-global-disinformation-order-2019-global-inventory-of-organised-social-media-manipulation/>.

⁶ See for example OECD/EUIPO (2021_[70]), *Global Trade in Fakes: A Worrying Threat*, Illicit Trade, OECD Publishing, Paris, <https://doi.org/10.1787/74c81154-en>; and OECD/EUIPO (2020_[78]), *Trade in Counterfeit Pharmaceutical Products*, Illicit Trade, OECD Publishing, Paris, <https://doi.org/10.1787/a7c7e054-en>.

⁷ The definition of foreign interference included here is from the Australian Government Attorney General's Department (2019_[80]), *Factsheet 2: What is the difference between 'foreign influence' and 'foreign interference'*.

⁸ See for example, Charlish and Goclowiski (2019_[81]), "U.S. and Poland urge tougher checks on foreign influence over 5G networks", Reuters, <https://www.reuters.com/article/us-poland-usa-5g/u-s-and-poland-urge-tougher-checks-on-foreign-influence-over-5g-networks-idUSKCN1VN174>; and Fuchs (2022_[82]), "Russia's war on Ukraine: How Russian entities are retaining much of their D.C. lobbying influence", POLITICO, <https://www.politico.com/news/2022/03/22/russian-entities-lobbying-disclosure-00019221>.

⁹ See for example Rudolph and Morley (2020_[76]), *Covert Foreign Money: Financial loopholes exploited by authoritarians to fund political interference in democracies*, Alliance for Securing Democracy, <https://securingdemocracy.gmfus.org/wp-content/uploads/2020/08/ASD-Covert-Foreign-Money.pdf>; and Barnett and Sloan (2018_[83]), *Democracy in the Crosshairs: How Political Money Laundering Threatens the Democratic Process*, Atlantic Council, https://www.atlanticcouncil.org/wp-content/uploads/2018/10/Democracy_in_the_Crosshairs_updated101718.pdf

¹⁰ See for example Public Safety Canada (2021_[84]), *Foreign Interference*, <https://www.publicsafety.gc.ca/cnt/trnsprnc/brfng-mtrls/prlmntry-bndrs/20210722/015/index-en.aspx>; and The National Security and Intelligence Committee of Parliamentarians (2019_[65]), *Annual Report 2019*, https://www.nsicop-cpsnr.ca/reports/rp-2020-03-12-ar/annual_report_2019_public_en.pdf

¹¹ See for example Heathershaw et al. (2021_[75]), "The UK's Kleptocracy problem: How servicing post-Soviet elites weakens the rule of law", Chatham House, <https://www.chathamhouse.org/2021/12/uks-kleptocracy-problem>; and Cooley et al. (2021_[85]), *Paying for a World Class Affiliation: Reputation Laundering in the University Sector of Open Societies*, National Endowment for Democracy and International Forum for Democratic Studies, <https://www.ned.org/wp-content/uploads/2021/05/Reputation-Laundering-University-Sector-Open-Societies-Cooley-Prelec-Heathershaw-Mayne-May-2021.pdf>

¹² See for example OECD (2020_[79]), "Whole-of-society", in *OECD Public Integrity Handbook*, OECD Publishing, Paris, <https://doi.org/10.1787/b3090ab7-en>; and Heathershaw et al. (2021_[75]), "The UK's Kleptocracy problem: How servicing post-Soviet elites weakens the rule of law", Chatham House, <https://www.chathamhouse.org/2021/12/uks-kleptocracy-problem>.

4 Governing Green: Gearing up government to deliver on climate and other environmental challenges

Successfully addressing climate change and other environmental goals is a challenge for democratic governments – they need to show that they are fit to handle this long-term, complex and systemic challenge, manage difficult trade-offs and achieve wider well-being outcomes. This chapter looks at the public governance changes needed to effectively implement urgent green policies and promote other social and economic priorities. It covers several key areas, including steering and building consensus and trust for delivering green, using the right tools for climate and environmental action, and leading by example through greening the public sector.

4.1. Introduction

Momentum – and urgency – are building for governments to address climate change and other environmental pressures. The latest Intergovernmental Panel on Climate Change (IPCC) Report calls climate change “widespread, rapid, and intensifying” (IPCC, 2021^[1]). Evidence also points to increasing and unprecedented negative trends in nature, including biodiversity and ecosystems (IPBES, 2019^[2]). The United Nations Climate Change Conference, COP26, held in Glasgow in November 2021, marked a significant milestone in global efforts to advance towards a net zero carbon future. The COVID-19 pandemic along with the unprovoked Russian attacks on Ukraine have exposed many vulnerabilities shining a stark spotlight on the need for countries to be prepared to face substantial risks of major shocks. The 2022 United Nations Climate Change Conference (COP27) and the United Nations Biodiversity Conference (COP 15) will convene governments to give direction on climate and the environment. Transformative action is needed to address climate tipping points and other interrelated environmental pressures, including accelerated biodiversity loss, rising air and water pollution, and waste generation.

Successfully addressing climate change and other environmental goals is a challenge for democratic governments – they need to show that they are fit to handle long-term, complex, interconnected and systemic challenges, manage difficult trade-offs and achieve wider well-being outcomes. As Figueres and Rivett-Carnac have noted “(i)f democracy is to survive and thrive into the twenty first century, climate change is the one big test that it cannot fail” (Figueres and Rivett-Carnac, 2020^[3]). The fates of democracy and policy action for climate and the environment are interconnected. At the same time, some people and groups are dissociating themselves from traditional democratic processes, making it more difficult for governments to engage with them on environmental policy choices and individual action.

A key challenge facing democratic governments is how to achieve the deep and broad public governance changes needed to implement urgent green policies and advance other social and economic priorities. The success of these policies will largely depend on trust in public institutions. Indeed, trust levels and effective action on climate and the environment are interdependent. On the one hand, low levels of trust in public institutions may impede government’s ability to implement effective environmental policy. On the other hand, there is a risk of a negative feedback loop between a lack of effective action on these issues and trust in public institutions. Climate variability and climate extreme events, biodiversity loss, natural and human-made environmental disasters, and water crises are all potential sources of shocks and stresses. Real or perceived mismanagement in addressing these challenges or a lack of transparency on the policy actions taken could further erode trust in public institutions.

The recent OECD Trust survey provides some hindsight in this regard. On average in the OECD, about half (50.4%) of respondents think that governments should prioritise climate change. Part of the issue may be that people are unwilling to accept the costs; addressing climate change requires both immediate and long-lasting sacrifices in exchange for a crucially important but diffuse long-run payoff. But another likely factor is a government’s perceived competence. People may not be confident that public institutions are competent and reliable enough to deliver policies effectively, and for long enough, to generate benefits. Indeed, on average only 35.5% of people are confident that countries will succeed in reducing their country’s contribution to climate change by reducing greenhouse gas emissions. In other words, while half of people think that climate change is a serious issue for governments, just over a third believe that countries will actually meet the targets (Box 4.1 and Figure 4.3).

Gearing government for the green transformation is therefore critical and urgent. The magnitude and urgency of addressing environmental challenges require comprehensive efforts on all fronts and from all actors. Indeed, success in tackling climate change and biodiversity loss will demand collective efforts from the public and private sectors, international organisations, civil society groups and individual citizens.

Yet, achieving the changes required for the green transition will necessarily depend on government steering and implementing policies, both at home and on the international stage. There are key tasks that must largely be carried out by governments and the state (Giddens, 2009^[4]). Most notably, these are the agreement, design and delivery of policies and investments to respond to environmental threats, but they also include setting expectations and guidance by individuals, private sector and civil society as a whole on how to adapt towards cleaner, greener solutions and outcomes, and building resilience to future shocks. Climate change, biodiversity and other environmental emergencies span borders and can only be managed through international co-operation. However, the responsibility for setting green commitments and implementing them lies with governments that may have diminished interest in and capacity for tackling issues that go beyond their own borders.

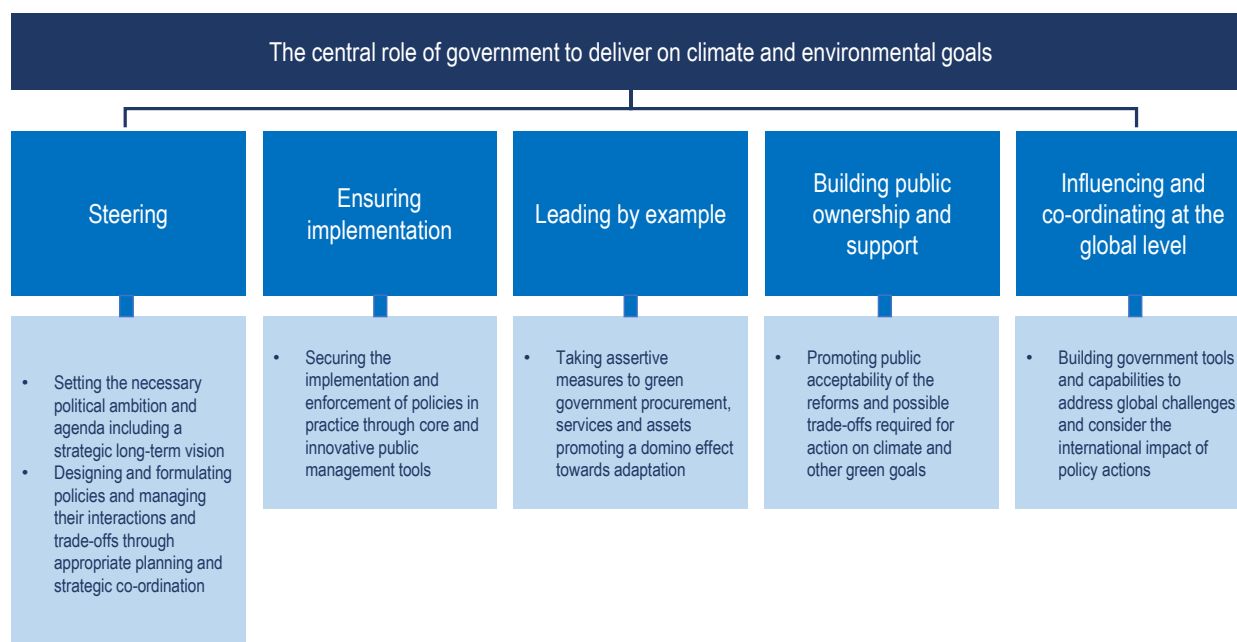
It is therefore crucial to discuss not only the *content* of policies for the green transformation, but also *how* governments design and agree on the optimal policies to fight climate change and address environmental priorities; *how* they ensure that these policies are effectively and efficiently implemented, sustainably financed and delivered; and *how* they garner cross-cutting support and consensus from society. In this context, this chapter:

- Outlines the **essential role of public governance** in addressing climate change and other environmental threats; and
- Highlights the **main challenges governments face** in ensuring that public governance effectively supports green efforts while accounting for spillover effects.

Based on the existing work of the OECD Public Governance Directorate, this chapter sets out some of the key transformations required in public governance to secure the achievement of green goals.

In simple terms, there are **5 key dimensions** where public governance will have a significant bearing on the global transformation (Figure 4.1).

Figure 4.1. The central role of government in achieving climate and environmental goals



4.1.1. Identifying the main challenges for public governance

In carrying out these key roles, governments face a number of challenges and impediments, both in terms of the **context** and of their **capacity to act**.

Countries need to forge consensus on urgent transformations against a backdrop of declining public trust and increasing discontent with governments and democratic institutions. The policies that are needed require not only technically sound governments, but also their ability to make difficult choices. These choices will help secure our collective future, but necessarily involve both winners and losers. The costs and impacts of climate change as well as measures to address it, will be unevenly distributed across society, across generations and across countries. So, governments must not only design appropriate climate and other environmental policies, but also build a strong consensus for action both across society and within public institutions dealing with other competing policy objectives. This is crucial to ensure that governments have a robust mandate to overcome collective environmental problems, make choices on how to distribute the costs of the response, and credibly bind themselves to undertake long-term policies that will outlast any single administration.

The ability of a government to address environmental threats is strongly linked to democratic settings. First, the inherent short-termism of the electoral cycle discourages a focus on long-term and transgenerational issues such as climate change and biodiversity loss (Linz, 1998^[5]). At the same time, long-term environmental pressures play into some of the key challenges currently facing democracies. For example, addressing climate change is a science-driven issue, yet democratic governments struggle to promote evidence-based policies given the proliferation of mis- and dis-information, low levels of trust in traditional sources of information (including governments and mainstream media), and the limited access to, availability and reuse of environmental data. Climate action calls for far-reaching policy measures, which governments may have trouble adopting and implementing while facing trust deficits (OECD, 2021^[6]). Citizens stand ready to voice discontent against policies that require change and that fail to meet transparency, fairness and representability requirements.

Within this complex political economy of reform, there are also several classic public governance shortcomings that dramatically affect the capacity of governments to effectively address climate and environmental issues. These include the difficulties of managing fast-shifting policy priorities; ensuring coherence when designing policies that cut across different areas and levels of government and managing the related synergies and trade-offs; and successfully applying both core and innovative, public management tools (such as strategic planning, budgeting, regulation and evaluation). These difficulties can be perceived in countries' post-COVID-19-recovery plans where spending on environmentally positive measures represented only 21% of total recovery spending (OECD, 2021^[7]).

Moreover, governments still struggle to build adequate national and international structures and competences to tackle transboundary challenges such as environmental ones. This may lead citizens to think that their governments lack the capacity and tools to fully address the issues that are of critical and growing importance to their lives.

4.2. Outline of this chapter

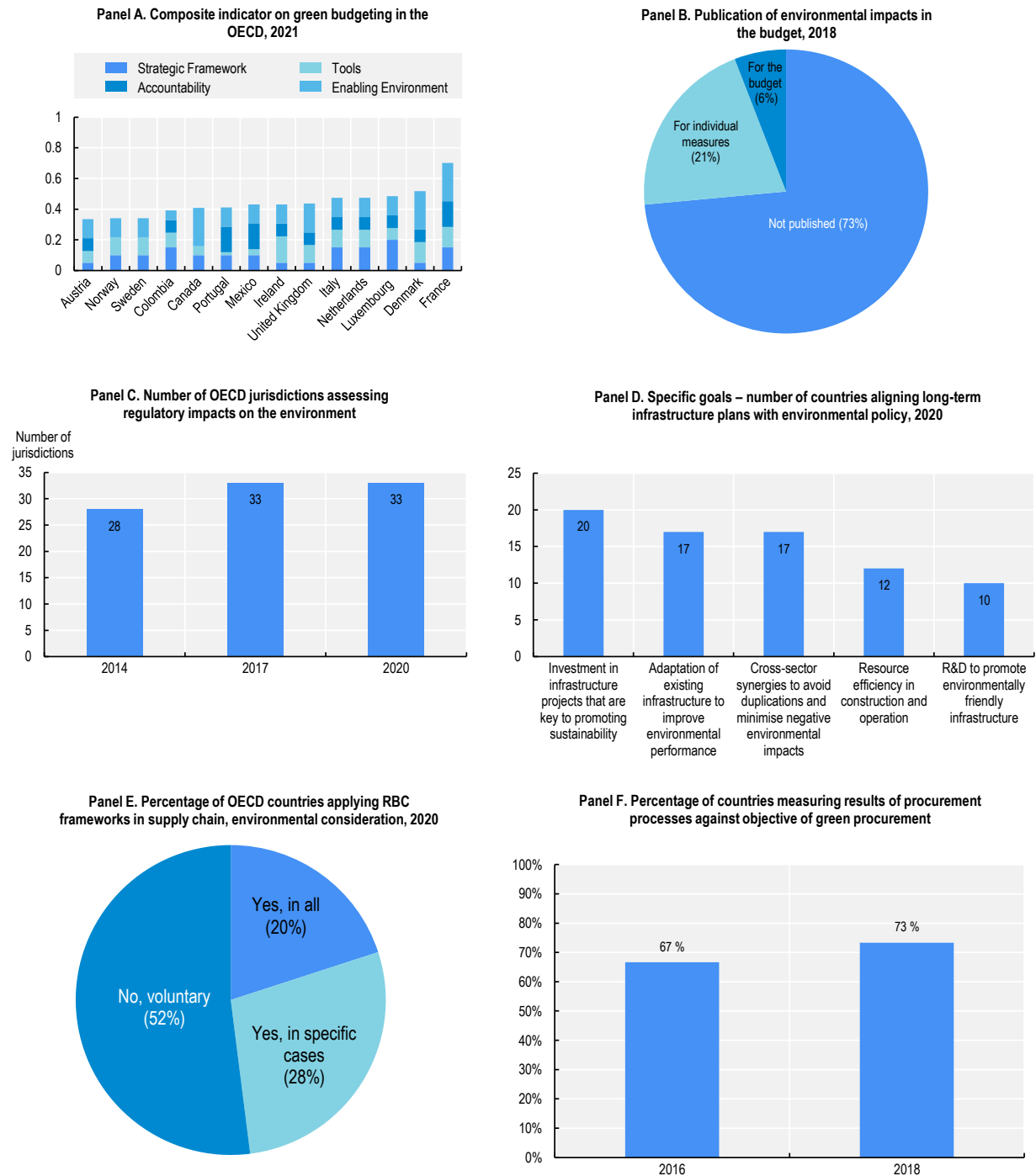
The OECD has so far produced work on an array of public governance issues that are critical to achieving green goals, including on public budgeting, public procurement, infrastructure governance, policy coherence, and multi-level governance, to name a few. Yet, a holistic public governance approach, which pieces together how the machinery of government can be geared towards environmental and climate action, is still missing. This chapter does not look at tax governance, which is a core element of tax policy and a core element of mitigation strategies.

Bringing together existing work of the OECD Public Governance Committee, Regulatory Policy Committee and Committee of Senior Budget Officials in a range of relevant areas, this chapter seeks to create a better understanding of the public governance transformations required to successfully respond to environmental pressures, in particular that of climate challenge. **It does so through 3 key areas for transformation:**

1. Steering and building consensus and trust for delivering green in the next decade;
2. Using the right tools for climate and environmental action; and
3. Leading by example – A greener and more resilient public sector

This chapter also contributes to the OECD's Horizontal Project on Climate and Economic Resilience, which provides an updated, whole-of-OECD perspective on the main dimensions and dangers of climate change, with a particular focus on economic resilience and the policies needed to improve it through mitigating and adapting to climate change.

Figure 4.2. Governing Green: Some key indicators



Sources: Composite Indicator on Green Budgeting in the OECD (2022, forthcoming), OECD and EC (2020), Joint Survey on Emerging Green Budgeting Practices; OECD (2018), OECD Budget Practices and Procedures Survey; OECD Indicators of Regulatory Policy and Governance surveys 2014, 2017 and 2021; OECD (2020), Survey on the Governance of Infrastructure; OECD (2020), Survey on Leveraging Responsible Business Conduct through Public Procurement; OECD (2018), Survey on the Implementation of the 2015 OECD Recommendations on Public Procurement.

4.3. Steering and building consensus and trust for delivering green in the next decade

In OECD democracies, governments will be in a better position to steer societies towards optimal environmental results if they are able to change the way they make policies and build trust and consensus for action. To achieve this change, it will be crucial to strengthen integrity to avoid biased policy decisions, improve stakeholder engagement in decision making, reinforce accountability and use all available tools to communicate and influence citizens' behaviour. Delivering on green will also require governments to build competencies and means to 'go global' to address issues that directly affect citizens but are of a global nature, this issue is addressed in Pillar 3 of the OECD Reinforcing Democracy Initiative (see Chapter 3).

4.3.1. The nexus of climate action and trust in institutions

When considering the issue of climate change alone, there is broad consensus in many OECD countries that it is a major problem and requires a government response. 93% of Europeans believe climate change is a serious problem and nearly 20% consider it the most serious problem facing the world.¹ 75% of Europeans believe that their government is not doing enough to tackle climate change (European Union, 2021^[8]). Yet, consensus on the need to tackle the climate crisis is not enough to ensure effective policy responses. Success will largely hinge on trust in public institutions, which play a critical role in promoting collective action. Evidence from many OECD countries shows that trust in government is a significant factor in citizens' willingness to support climate policies (Hammar and Jagers, 2006^[9]) (Harring and Jagers, 2013^[10]) (Rhodes, Axsen and Jaccard, 2017^[11]). Individuals with low trust in the effectiveness or fairness of public institutions have few incentives to look to them for collective solutions to environmental problems. In addition, responsive, transparent and fair institutions help strengthen social consensus. Furthermore, engaging citizens facilitates the creation of broad coalitions in favour of climate change policies that go beyond electoral cycles.

In general, trust in public institutions can be increased by improving the public perception of government competence and values. In particular, the following two main aspects of trust in public institutions affect public support for climate change policies (OECD, 2022^[12]):

- **Trust in government competence (*reliability*) to build sustainable long-term policies.** Climate policies may impose costs today in return for potential benefits for future generations. Survey evidence shows that support for future-oriented policies on climate is affected by people's trust in the effectiveness of public institutions. While most people believe that mitigating climate change will make future people's lives better, they may not support these policies if they have little confidence that public policies will mitigate climate change (Fairbrother et al., 2021^[13]). Citizens must trust that public institutions are competent to effectively implement policies for long enough to generate benefits, or they will be unwilling to accept the costs.
- **Trust in government values (*fairness*) to ensure the acceptability of environmental policies.** Climate policy requires complicated and sometimes expensive trade-offs. The success of policies to address environmental pressures will depend on the trust people have in the capacity of governments to plan and deliver policies that distribute costs fairly, are carried out with high integrity standards and are open to public scrutiny. Convincingly communicating on the costs and benefits involved will be critical to public acceptance (Brezzi et al., 2021^[14]).

Measuring people's trust in climate policies could help countries maximise public support and acceptability for green reforms on the basis of evidence. Understanding how the determinants of trust in public institutions affect the support for different climate policy alternatives could help inform the type of public governance actions required to enhance trust in different options. The OECD is taking the lead internationally on measuring trust in public institutions and its determinants through its Survey on Drivers of Trust in Public Institutions (Box 4.1).

Governments should build a positive feedback loop through governance mechanisms to demonstrate the reliability and fairness of climate policies. When it comes to climate policies, individuals and businesses need to trust that public institutions will continue pursuing climate change mitigation in the future (*reliability*) and that they are not requiring efforts from one part of the population while allowing others to avoid their responsibilities (*fairness*). The incorporation of long-term sustainability considerations is also of paramount importance for trust in policies.

Trust data can help governments improve policy making and climate change mitigation plans. Countries have started integrating citizens' experiences, expectations and evaluations of the public sector into decision making, albeit not yet systematically. For example, Australia used the results of the Citizens Experience Survey, showing young people's dissatisfaction with public services and concerns with environmental policy, to drive its National Youth Policy Framework. Moreover, using data to report back to citizens in a transparent, participative and regular way can enhance public governance accountability, help clarify trade-offs, and build public ownership of policy measures. On the other hand, monitoring the acceptability of environmental policies and anticipating citizen engagement can also help guide governments in planning and delivering green reforms while maintaining trust in institutions (see behavioural insights example from Canada in Box 4.15).

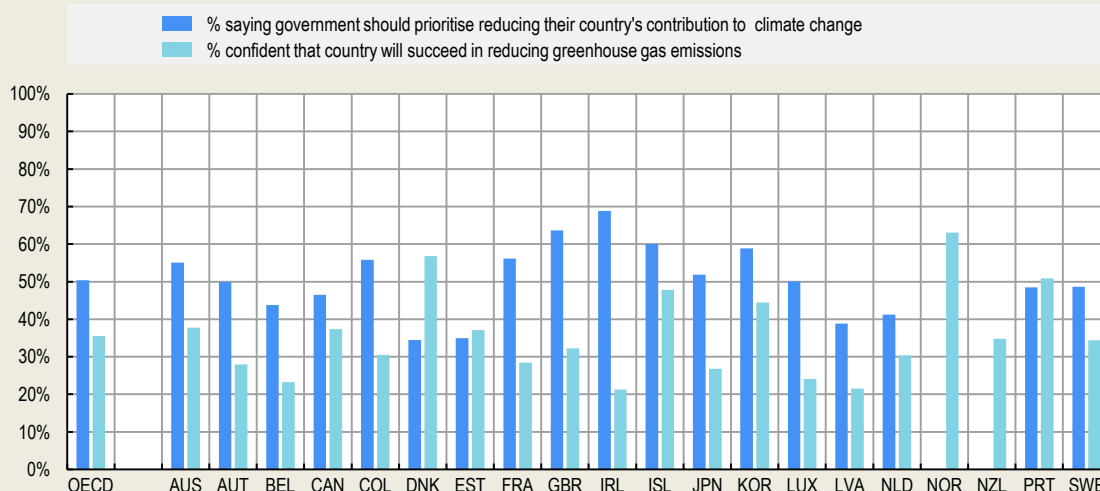
Box 4.1. Findings from the OECD Survey on Drivers of Trust in Public Institutions

The OECD Survey on Drivers of Trust in Public Institutions (Trust Survey) is a cross-country effort to collect data on the determinants of public trust. The Trust Survey incorporates questions on the reliability of government, including whether people consider their government prepared to deal with systemic shocks such as natural disasters or the spread of contagious diseases.

On average in the OECD, about half (50.4%) of respondents think that governments should prioritise climate change. Part of the issue may be that people are unwilling to accept the costs; addressing climate change requires both immediate and long-lasting sacrifices in exchange for a crucially important but diffuse long-run payoff.

But another likely factor is a government's perceived competence. People may not be confident that public institutions are competent and reliable enough to deliver policies effectively, and for long enough, to generate benefits. Indeed, on average only 35.5% of people are confident that countries will succeed in reducing their country's contribution to climate change by reducing greenhouse gas emissions. In other words, while half of people think that climate change is a serious issue for governments, just over a third believe that countries will actually meet the targets (Figure 4.3).

Figure 4.3. Half of OECD Trust Survey respondents think their government should prioritise actions to reduce climate change, but only about one-third have confidence in their country's ability to reduce greenhouse gas emissions

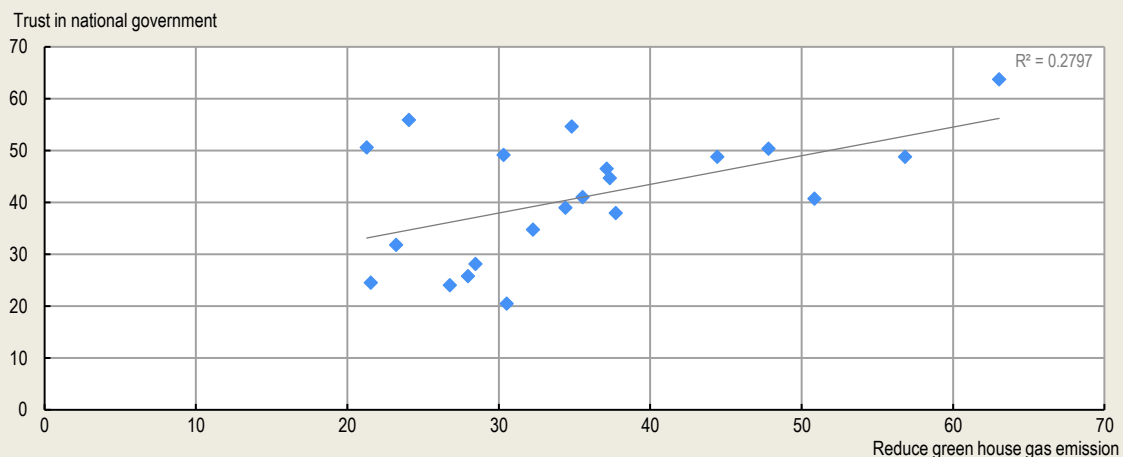


Note: Figure presents the average share of respondents to the questions “On reducing your country contribution to climate change, do you think the government should be prioritising a lot more, more, about the same, less, or a lot less?”. The “more” share in the figure is the aggregation of the responses choices “a lot more” and “more”. Respondents were asked “How confident are you that your country will succeed in reducing greenhouse gas emissions in the next 10 years?” The “confident” share is the aggregation of response choices “somewhat confident” and “very confident”. “OECD” presents the unweighted average of responses across countries. Finland, Mexico, New Zealand and Norway are excluded (or partially excluded) from this figure as comparable data were not available. For more detailed information on the survey questionnaire and processes in specific countries, please find the survey method document at <http://oe.cd/trust>. Source: OECD (2022^[15]), Building Trust to Reinforce Democracy: Main Findings from the 2021 OECD Survey on Drivers of Trust in Public Institutions, *Building Trust in Public Institutions*, OECD Publishing, Paris, <https://doi.org/10.1787/b407f99c-en>

Cross-nationally, high levels of confidence in a government's ability to commit to addressing climate change are positively correlated with trust in government. Analysis from the OECD Trust Survey finds that people's confidence that the country will reduce greenhouse gas emissions has a statistically significant, positive relationship with trust in national government and, to a less extent, local government and civil service. In other words, investing in public governance to deliver more effective policies to fight climate change may pay off in securing more credibility and trust in government. This relationship holds within countries, too; those who are confident that their government can credibly commit to reducing greenhouse gas emissions are more likely to trust their government (Figure 4.4).

Figure 4.4. Countries that are seen as more competent in the fight against climate change also benefit from higher levels of trust in government

Share of respondents that are confident that their country will succeed in reducing greenhouse gas emissions over the next 10 years (x-axis) and the share who trust their national government (y-axis), 2021



Note: This scatterplot presents the share of “trust” responses to the question “On a scale of 0 to 10, where 0 is not at all and 10 is completely, how much do you trust each of the following? The national government”, equal to the values of responses 6-10 on the response scale, on the y-axis. The x-axis presents the share of “confident” responses to the question “How confident are you that [country] will succeed in reducing greenhouse gas emissions in the next 10 years?”. The “confident” response is the aggregation of responses “somewhat confident” and “completely confident”. “OECD” presents the unweighted average of responses across countries. Finland is excluded as the results on confidence were not available, and Mexico is excluded due to lack of data on both questions. New Zealand here shows trust in civil service as respondents were not asked about trust in the national government (note that trust in civil service on average tends to be higher than trust in national government). For more detailed information please find the survey method document at <http://oe.cd/trust>.

Source: OECD (2022₍₁₅₎), Building Trust to Reinforce Democracy: Main Findings from the 2021 OECD Survey on Drivers of Trust in Public Institutions, *Building Trust in Public Institutions*, OECD Publishing, Paris, <https://doi.org/10.1787/b407f99c-en>

Some challenges require more than a reliable and responsive national government – they require the involvement of other actors and partners. On average across countries, people are most likely to express interest in global co-operation to address issues like climate change, terrorism, and pandemic preparation. Yet there is still relatively low public support for global co-operation to target these issues; around half of respondents call on governments to work together to address climate change. When asked about how to co-operate globally, the most popular response – “joining forces with other governments internationally” – was selected by 43.4% of respondents, on average cross-nationally. The next three most commonly selected answer choices – engaging citizens on global issues, strengthening co-ordination across government offices, and strengthening the country’s role in international institutions – were selected by fewer than one in three respondents.

As the risks associated with climate change become ever more urgent – and as costs increase for diffuse, long-term payoffs – governments must do better in communicating to the public the benefits of co-operation to tackle these challenges. These kinds of issues can only be resolved through global co-operation.

Source: OECD (2022₍₁₅₎), Building Trust to Reinforce Democracy: Main Findings from the 2021 OECD Survey on Drivers of Trust in Public Institutions, *Building Trust in Public Institutions*, OECD Publishing, Paris, <https://doi.org/10.1787/b407f99c-en>

4.3.2. Leadership – setting commitments and the path to meeting them

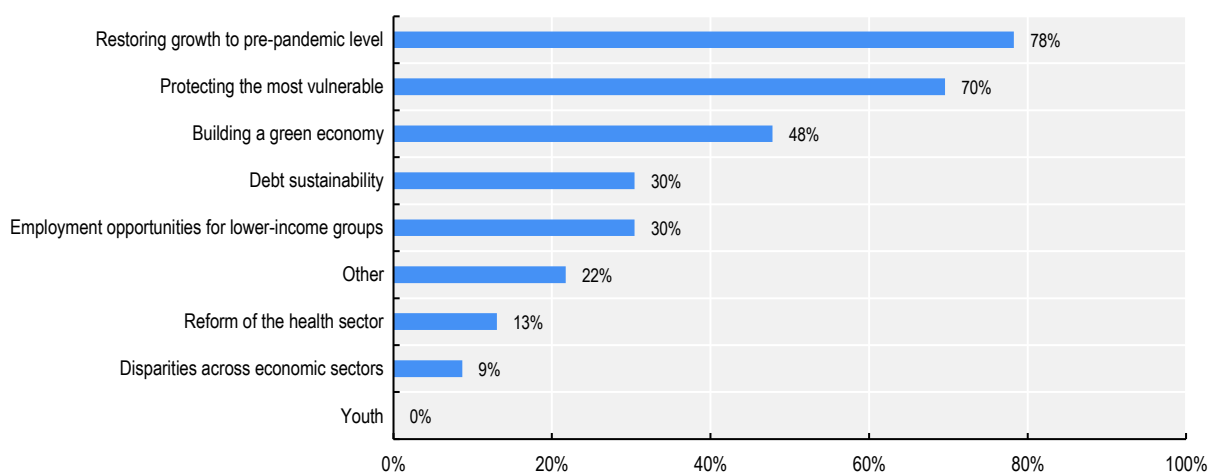
Committed political leadership is vital to building consensus and trust for the success of climate and environmental policies.

Signalling strong political support for green action can be done in various ways. Bold national and international commitments – for example to achieve net zero carbon emissions by a specific date – are perhaps the most evident (Jeudy-Hugo, Lo Re and Falduto, 2021^[16]). However, the uncertainty surrounding projections of climate change and its impact, unrelated external shocks, technological changes and societal perspectives and preferences over time all hamper governments’ ability to visualise and describe futures on which decisions can be based (OECD, 2021^[17]) (Haasnoot et al., 2013^[18]) (Butler et al., 2015^[19]) In this unique environment, governments sometimes struggle to make climate and the environment a cross-cutting strategic priority that involves the whole of government, especially when resources are limited (IPCC, 2007^[20]) (Noble, 2014^[21]) (Guillén Bolaños, Manez Costa and Nehren, 2016^[22]).

This difficulty is already clear in governments’ COVID-19 recovery efforts. While they see the recovery as an opportunity to “build back better”, with a focus on long-term climate resilience (Figure 4.5), evidence from the OECD Green Recovery Database (OECD, 2021^[23]) highlights that, as of September 2021, “green measures have increased in number and budgetary size, yet still account for a small share of total recovery spending”, with USD 667 billion allocated towards environmentally positive measures, which represented only around 21% of recovery spending announced by governments (OECD, 2021^[7]).

Figure 4.5. Government priorities in support of COVID-19 recovery efforts

Percentage of governments for which each area is among their top three priorities



Note: Includes data from centres of governments in Belgium, Canada, Chile, Colombia, the Czech Republic, Denmark, Estonia, Finland, Germany, Hungary, Iceland, Israel, Italy, Korea, Latvia, Lithuania, Luxembourg, Mexico, Norway, Poland, Portugal, Sweden and Türkiye.
Source: OECD (2021^[6]), *Government at a Glance 2021*, OECD Publishing, Paris, <https://doi.org/10.1787/1c258f55-en>.

Making green policies and climate action a priority therefore not only entails being explicit about the nature and scope of desired goals, but also ensuring they are appropriately funded (Rüdinger et al., 2018^[24]) (Jones et al., n.d.^[25]) (Andres et al., 2016^[26]), both to achieve environmental outcomes and to ensure the credibility of government action and long-term commitment. Achieving green goals will require a massive fiscal effort. The OECD estimates that USD 6.9 trillion a year up to 2030 is required to meet climate objectives (OECD, 2017^[27]). The objectives of the Paris Agreement require a radical change to infrastructure, technology and behaviour (OECD/The World Bank/UN Environment, 2018^[28]). Spending decisions are therefore central to strong government leadership on these issues and will be central to the

success of climate and environmental commitments going forward. For instance, in New Zealand, climate change is one of only five priorities in the [2021 budget](#), and ministers are asked to [justify their proposals](#) for bills in light of those priorities. Linking priorities to adequate funding requires using all budgeting policy tools (green budgeting, spending reviews, among other) to make progress towards green priorities. This is discussed further under Key Area 2.

Linking major infrastructure decisions and plans to green objectives can demonstrate strong commitment and leadership. The green transformation will depend to a large extent on the ability of governments to promote sustainable infrastructure, especially in the energy and transport sectors. Around 30% of the total greenhouse gas emissions worldwide are produced by the energy sector and 15% by the transport sector (World Resources Institute, 2017^[29]). Retrofitting public buildings to make them more energy efficient, smartgrids, and digital infrastructure are examples of government investment decisions that can underpin and enable the broader green transformation (OECD, 2022^[30]). Strategic infrastructure planning is not only a tool to achieve green efficiencies (as discussed in Key Area 2), but a decisive element of the transition.

Signalling strong political support for green priorities and climate action can also be achieved through other governance mechanisms, such as:

- placing the climate portfolio at the centre of government (i.e. the White House national climate advisor in the United States or the National Climate change Secretariat in Singapore)
- fostering cross-party adhesion (i.e. the creation of a [bi-partisan group of 35 elected representatives](#) for sustainable development in the New-Zealand legislature, or the [multi-party consultation](#) of the 2012 General Law on Climate Change in Mexico)
- building the necessary institutional frameworks to engage citizens (in Denmark the Danish Board of Technology was mandated with facilitating the Climate Citizen’s assembly; in Spain, public participation is built into climate legislation; and France created the [Citizen Convention on Climate](#) as an ad hoc initiative – see Box 4.2).

OECD Member countries have also developed a variety of institutional arrangements to ensure that government decisions are aligned with climate actions. Approaches to steer, formulate and co-ordinate climate change strategy range from highly embedded sectoral approaches to top-down centralised ones (OECD, forthcoming^[31]). Furthermore, the legal “bindingness” of climate action can also help enhance the credibility, commitment and continuity of a climate framework over time, ranging from a single policy, to a climate plan, strategy or law (Rüdinger et al., 2018^[24]). For instance, the UK’s experience with the Climate Change Act of 2008 showed that a comprehensive legislative framework could help advance climate action and steer government policies and programmes (Averchenkova, Fankhauser and Finnegan, 2018^[32]). Chile’s 2022 Climate Change law provides an additional recent example of climate legislation. In Luxembourg, the Climate Pact – a co-operative agreement through which local governments commit to implement environment- and climate-related measures – has helped improve co-ordination between the central and local governments for action in line with national climate mitigation commitments.²

Governance models also need to ensure that policy decisions on climate action enable the leadership of those at most impacted by of climate change, such as indigenous peoples. Integrating the leadership and knowledge of indigenous peoples in green policy making is pivotal to improve legitimacy and sustainability of climate action (Government of Canada, 2021^[33]). Governance mechanisms enabling indigenous leadership include: ensuring effective participation in the design and implementation of green programmes, creating collaborative management agreements of protected areas, capacity building and financial support (IUCN, 2019^[34]); and guaranteeing effective legal protection of indigenous peoples rights (e.g. free, prior and informed consent; land and cultural heritage) and equal access to justice (including co-ordination between indigenous and non-indigenous justice).

4.3.3. Stakeholder participation for green governance

Given the scale of the transformations required to act on climate change and other environmental issues, governments should promote dialogue with stakeholders and citizen participation in the decision-making process. Such engagement is crucial to building public trust on climate policies. Consulting and partnering with different stakeholders helps ensure that a wide range of expertise and views are channelled into policy measures. A protected civic space that allows a variety of stakeholders to understand and engage on complex policy issues, to peacefully assemble and associate, to express their views in safety and security, and to hold governments to account for their actions, is also essential for the climate transition. Pillar 2 of the OECD Reinforcing Democracy Initiative centres on the main challenges for representation and participation and how they can be addressed to regain citizens trust and reinforce democracy (see Chapter 2).

Working strategically with civil society during the policy cycle will help to fine-tune actions in line with local realities, improve risk analysis, and design and deliver effective and sustainable programmes and policies. Successfully addressing environmental pressures will require collective action from a variety of stakeholders, including public and private sector actors, international organisations, civil society organisations (CSOs) and individuals. Such collaboration can also help to instil trust, build consensus and increase the legitimacy of government decision making on difficult climate transition measures. CSOs are vital for information exchange between citizens and the state because of their ability to reach out to minorities and marginalised groups and to raise awareness in local communities and society as a whole. They can play a central role in giving citizens the opportunity to influence and take part in decisions that affect their lives and futures. To enable them to do so, and help harness local knowledge and identify citizens' needs, governments should take a non-discriminatory stakeholder engagement approach that allows all citizens, especially those directly affected by climate change or related policies – including indigenous populations and those who are most vulnerable – to systematically and transparently engage with government on an equal basis (OECD, 2017^[35]). Global CSO networks, such as the Convention on Biological Diversity (CBD) Alliance and the Climate Action Network (CAN), can play an important role in strengthening the capacity of local and national CSOs.

New forms of public participation can give public decision makers the legitimacy to make hard choices and take action. Deliberative processes work well for addressing complex problems that involve long-term consideration of values and weighing trade-offs. They can help policy makers better understand how issues affect certain groups as well as what citizens themselves would propose to address these challenges. These processes (e.g. citizens' assemblies, juries, and panels) bring together groups of citizens that are broadly representative of society to tackle challenging policy issues such as the climate transition (OECD, 2020^[36]). They are designed to allow the group to access a wide range of resources, hear from experts and stakeholders, deliberate together, and find common ground to draft collective and informed recommendations for policy issues. In the case of climate, they allow governments at all levels to involve diverse groups of ordinary people more directly in identifying where communities are willing to make trade-offs and hard choices, including how to pay for climate-related transitions. The data shows a notable increase in the number of deliberative processes addressing climate-related issues in the past few years, including the Irish Citizens' Assembly on Climate in 2016-2018, the 2019-2020 *Convention Citoyenne pour le Climat* in France, and the 2021 German Citizens' Assembly on Climate (Box 4.2).

Empowering and engaging with youth to address climate change and including intergenerational considerations in core functions of the government are essential to sustainable long-term policy making. Youth-led mobilisations, including "Fridays for the Future", have been critical in placing climate justice at the top of the political agenda, highlighting that future generations are the primary group concerned by long-term degradation of the environment. Governments across the OECD have started to establish new institutions, structures and processes to involve young people in the process. For instance, a Youth Climate Council was established to advise on how Denmark can most effectively (and cost-effectively) undertake

the transition to a low-carbon economy by 2050 (OECD, 2020^[37]). In Ireland, the government set up a Youth Climate Justice Fund, which has made EUR 500 000 available to support youth-led action and innovation on climate justice (Department of Children and Youth Affairs Ireland, 2020^[38]).

Last but not least, making key public sector datasets available as open government data can help engage key stakeholders in the re-use of data to design joint actions, understand major trends and build stronger public awareness of the different facets of climate change and its implications.

Box 4.2. Examples of deliberative processes addressing climate-related issues

Citizens' Convention on Climate in France (2019-2020)

The Citizens' Convention on Climate was a deliberative process that brought together 150 citizens representative of the French population, selected via civic lottery, for seven weekends over six months. It was designed to give citizens an opportunity to propose informed policy recommendations for addressing climate change, to define a range of measures that will enable France to reduce its greenhouse gas emissions by at least 40% by 2030 (compared to 1990 levels) in a socially just and equitable way. After extensive deliberation, citizens prepared a list of 149 measures for the French government.

Besaya Citizens' Jury (2021)

The Besaya Citizens' Jury was comprised of a broadly representative group of 35 everyday citizens selected by civic lottery from ten municipalities in the Besaya region in Spain. Citizens met online and in person for six weekends between May and July. They were asked to develop recommendations for the Regional Ministry of Economy on how to make the most of European Green Funds in the Besaya basin to create and / or maintain jobs that respect the criteria of a fair and inclusive ecological transition. Citizens identified three strategic priorities and 26 specific recommendations for action.

The Klima-Biergerrot (Citizens' Assembly on the Climate) in Luxembourg (2022)

Between January and July 2022, the Klima-Biergerrot will bring together a representative sample of 100 people living or working in Luxembourg to discuss the country's current commitments on climate change and develop possible additional measures or proposals. At the end of this process, the outputs will be presented and debated at the Luxembourg Parliament and are then likely to influence the new version of the Integrated National Energy and Climate Plan (NECP).

Source: Besayaeuropa.es. 2021. Besaya delibera en Europa. Available at: <https://besayaeuropa.es/>; Convention Citoyenne pour le Climat. 2021. Site officiel de la Convention Citoyenne pour le Climat. Available at: <https://www.conventioncitoyennepourleclimat.fr/>; <https://www.klima-biergerrot.lu/en>.

4.3.4. Ensuring integrity and transparency in green governance

Better stakeholder engagement also requires stronger integrity policies to prevent undue influence by certain groups, particularly as some environmental and climate change policies would negatively affect interests benefitting from the *status quo*. The public institutions responsible for green governance must be trustworthy and meet integrity and transparency requirements if the policies they design are to be seen as legitimate and acceptable. Failure to address the institutional and governance gaps that enable corruption or undue influence will have particularly dire consequences for communities most affected by climate change and other environmental threats.

Governments should pay particular attention to strengthening integrity standards in public institutions involved in green policies. While the majority of public sector employees have high standards of integrity, evidence shows that climate change policies, in particular those involving climate finance, are vulnerable to integrity violations such as fraud, embezzlement, and bribery. Using a risk-based approach to reviewing and strengthening existing integrity systems in public institutions allows government to identify the public employees involved in the design, implementation or evaluation of climate change policies that may be at higher risk and to take steps to mitigate them. National and international regulatory bodies, such as institutions that govern natural resource management or set pollution standards, for example, should have robust integrity standards including clear and proportionate measures to identify and manage conflicts of interest. In addition, governments should set rules for people from the private sector taking up employment in these bodies (and vice-versa), as well as cooling-off periods tailored to the level of seniority (Williams, 2019^[39]; OECD, 2021^[40]).

The appointment of climate advisory bodies and environmental expert groups should include transparency and integrity safeguards to ensure the legitimacy of their advice. To meet green and sustainability goals, governments may rely on independent advisory bodies and expert groups, such as the High Council on Climate in France, the Climate Change Advisory Council in Ireland and the Committee on Climate Change in the United Kingdom. Depending on their status and mandate, these bodies may be asked to provide objective analysis to the Parliament and/or the government on climate-related risks, monitor progress on international climate commitments, as well as carry out modelling and scenario planning. The bodies may consist solely of researchers or academics, or also include engineers, economists, think tank directors, public officials, and members of the private sector and civil society organisations with expertise in climate policy (Weaver, Lotjonen and Ollikainen, 2019^[41]; Averchenkova, Fankhauser and Finnegan, 2018^[32]). Private sector representatives participating in these groups have direct access to policy-making processes without being considered external lobbyists; they may, whether unconsciously or not, favour the interests of their company or industry, increasing the risk of conflicts of interest. As of 2019, only 47% of countries provided information on participants in advisory groups. To allow for public scrutiny, information on a group's structure, mandate, composition and selection criteria must be made available online. Such groups also need rules of procedure, including terms of appointment, standards of conduct, and, most importantly, procedures for preventing and managing conflicts of interest (OECD, 2021^[40]).

Green policy design and implementation need to be robust enough to withstand to lobbying and other influence practices that can mislead the public, governments and investors, and hinder effective policy action. This is evident, for instance, in the climate policy where a wide range of economic sectors and industries have stakes in the outcome of debates and negotiations. Engaging with public decision makers is therefore crucial for businesses affected by climate-related regulations. New evidence regularly emerges showing that the abuse of lobbying and other influence practices can block progress on climate change policies. For example, an analysis of a major oil and gas company's internal documents and communications between 1977 and 2014 found that, while its own research had established that climate change was caused by human activity, the company engaged in several practices – notably publishing opinion pieces in newspapers – to raise doubt, influence public opinion and reduce regulatory pressure to curb emissions (Oreskes and Conway, 2010^[42]; Supran and Oreskes, 2017^[43]). Experience also shows that oil and gas companies have been leading contributors to think tanks and front groups questioning established climate science, and have funded misleading climate-related branding campaigns or social media advertisements (Influence Map, 2019^[44]; Graham, Daub and Carroll, 2017^[45]).

To ensure greater transparency around green-related issues and lobbying, governments can consider several policy options. First, governments with lobbying registers can strengthen lobbying disclosure requirements to include information on the objective of lobbying activities, its beneficiaries, the targeted decisions and the types of practices used, including the use of social media as a lobbying tool. Second, key public officials involved in climate and environmental decision-making processes (e.g. Minister for the Environment and cabinet members, heads of environmental protection agencies, members of delegations

in climate negotiations) could make their meeting diaries public. Finally, governments could mandate *ex post* disclosure of how legislative or regulatory decisions were made. The information disclosed could include the identity of stakeholders met, public officials involved, the object and outcome of their meetings, as well as an assessment of how the input received were factored into the final decision.

Expanding corporate political spending disclosures would allow greater public scrutiny of corporate involvement in green policy. Companies concentrated in the fossil fuel and energy-intensive sectors (energy, transport) have faced increasing criticism from investors, shareholders and consumers for using climate commitments or sustainability policies to display a public image of climate responsibility while lobbying to delay or block binding climate policies or donating to candidates against stronger climate-related regulation. In recent years, pressure from investors and leading asset managers to consider corporate lobbying and political financing as risks to the environmental, social and governance (ESG) performance of companies has had a major influence on companies' business strategies. In the climate policy area, the number of shareholder proposals concerning corporate political engagement disclosures has increased significantly over the last decade, to become one of the most popular types of shareholder resolutions put to a vote (InfluenceMap, 2021^[46]; Glass Lewis, 2021^[47]). More disclosure on lobbying spending and political contributions – along with greater transparency on ESG goals and results – would allow investors and other stakeholders to evaluate how, for example, lobbying and political spending activities and sustainability initiatives might conflict. The Securities and Exchange Commission in the United States is currently exploring the links between political spending disclosures and ESG performance, and discussing the implementation of mandatory disclosure requirements (SEC, 2021^[48]).

Countering illicit trade in environmentally dangerous goods is also crucial. While the liberalisation of international trade and reductions in trade barriers have brought significant benefits, they have also increased opportunities for trade in illicit products, not only depriving governments of tax and related revenues, but also posing significant environmental risks. Such illicit trade includes illegal wildlife trafficking, trade in substandard chemicals and pesticides, illicit trade in sand, and waste trafficking (OECD, 2016^[49]; OECD, 2018^[50]; OECD, 2019^[51]). As criminal networks are quick to adapt their operations to avoid detection and circumvent law enforcement, governments need to step up their efforts, including strengthening cross-border information sharing among law enforcement authorities, analysing the policies that may inadvertently create business opportunities for criminals, and finding ways to shrink the market for illicit products by reducing consumer demand for such goods (OECD, 2018^[52]).

4.3.5. Effective public communication on climate and environmental action

To achieve the green transition, governments will need to transform how they use public communication to inform and engage with the public, and to prevent and react to the spread of mis- and dis-information. Public communication is the main vehicle for governments to provide accurate, reliable and timely information and data on environmental pressures in a way that can resonate with society. Good public communication promotes awareness, fosters a well-informed public debate, helps prevent damaging narratives from gaining ground, and provides an avenue for listening to and understanding public demands and concerns (OECD, 2021^[53]). For climate change in particular, policy design and implementation should be based on a free flow of information and data among governments, businesses, individuals and civil society, including journalists, the scientific community and academia. Pillar 1 of the OECD Reinforcing Democracy Initiative centres on the key challenges for governments in combating misinformation and disinformation (see Chapter 1).

Governments need to be able to communicate complex policy narratives in compelling and meaningful ways. Some countries are taking steps in this direction. Scotland's [Turning the Tide](#) campaign highlighted efforts to protect UK marine life and clarified the relevance of the topic to citizens. The EU Council's [Taking the Lead on Climate Change campaign](#) provides clear information on the facts, effects, actions taken and next steps regarding climate change.

Public communication needs to help strengthen the link between awareness, intention and action on climate change and other environmental threats. Pro-environmental behaviours may not be always adopted by those professing pro-environmental attitudes and beliefs (Dryzek, Norgaard and Schlosberg, 2011^[54]; Eom, Kim and Sherman, 2018^[55]). While OECD data shows that raising awareness is the leading objective of the public communication function, a greater focus on using communication strategically to achieve behaviour-specific objectives (such as improving the delivery of public services, engaging stakeholders, or improving the implementation of reforms) may be more effective (OECD, 2021^[56]). For example, the UK Government’s [“Plant for Our Planet”](#) campaign focused on encouraging people, businesses and communities to take specific action, such as planting trees, as part of the government’s broader conservation initiatives.

Sharing information on its own is not always enough to lead to behavioural change. Governments should be attentive to how mis- and dis-information on green policies may undermine fact-based engagement and diminish buy-in for reforms. Efforts to build an information environment conducive to constructive policy discussions are complicated by rapid changes in how the public consumes and shares information. These changes affect *who* and *what* sources of information and data citizens trust, while the rise of social media platforms in particular has facilitated the spread of mis- and dis-information (Matasick, Alfonsi and Bellantoni, 2020^[57]). When it comes to climate change, dis-information can seek to discredit climate science that sets the basis for policy measures or cast doubt over the urgency of crisis, eroding support for much-needed reforms. Further, commercially and politically motivated actors, both domestic and foreign, can use platforms to skew public debate. Research suggests that highlighting the scientific consensus can be one way to counter misinformation and increase public acceptance of the need to address climate change (Lewandowsky, 2020^[58]).

Communicating effectively about the climate emergency and combatting related misinformation require preparedness and prevention. Lessons learned from the COVID-19 pandemic will be useful in this regard. Indeed, media and public discourse around natural catastrophes are especially vulnerable to false narratives, as has been seen in relation to wildfires, floods and other extreme weather events. Building preparedness to communicate around these increasingly frequent events, especially anticipating and “pre-bunking” harmful messages, will mitigate the impact of false narratives and encourage support and compliance with green policies (Lewandowsky, 2020^[58]).

Beyond direct public communication responses, governments should support the timely and effective sharing of information and data and the full range of policy options to address disinformation around environmental pressures, notably climate change. One such option is identifying regulatory and legal responses to disinformation while protecting freedom of speech. Others include building constructive and transparent relationships with online platforms and fact-checkers; expanding media and information literacy efforts; promoting the understanding of the scientific data and trade-offs faced in the climate discussion; supporting public participation and fact-based journalism; and building a common narrative to inform citizens and direct them to trusted information and data sources. Ensuring that messages and messengers are culturally aligned and relevant to the audience is particularly important to climate communication (Lewandowsky, 2020^[58]).

Agreeing upon common data standards to monitor climate change, proactively publishing – with unrestricted access – data on climate change for analysis and re-use;³ and identifying the provenance of both trusted and untrusted data sources are among the actions governments can take to fight dis- and mis-information on climate change. Last but not least, behavioural insights (BI) can be used to reinforce the governance of public communication and to fight misinformation.

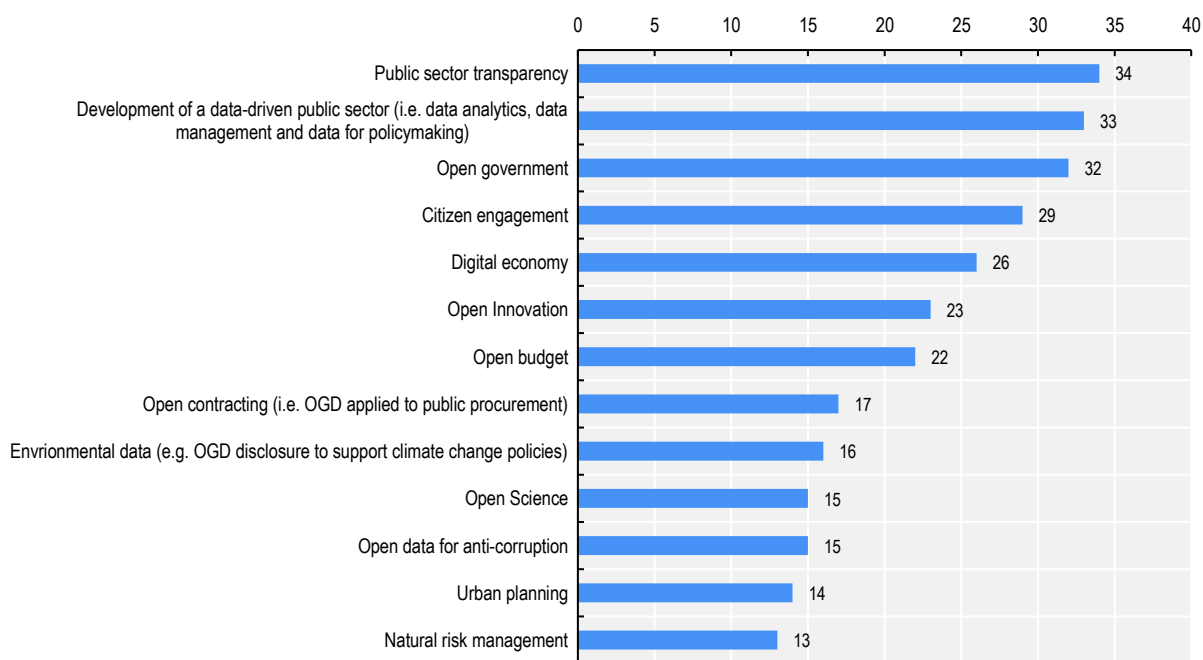
4.3.6. Accountability for governing green

Strengthening public sector accountability mechanisms will be critical for effective climate action and the green transition. However, developing such mechanisms is not always straightforward, particularly as they need to involve a number of different actors and actions, as well as a wide range of data from numerous institutions and sectors.

At the international level, there are a number of accountability mechanisms that make government action more transparent. For example, as part of the Horizontal Project on Climate and Economic Resilience, the OECD has established the International Partnership on Climate Action (IPAC). IPAC's Climate Action Dashboard features key indicators to track progress towards climate objectives and provide a snapshot of country climate action.⁴ Ensuring that such mechanisms have the right governance arrangements, tools and data is a major challenge, but is crucial to their credibility and reliability.

Systematic efforts to monitor climate policies and commitments will require access to and sharing of data on environmental issues within the public sector and across sectors at both domestic and international levels. Within the public sector, the generation, sharing of and access to different types of data (administrative, agricultural, water, natural risks) in different formats (geo-referenced, standardised, open) and through different means (e.g. shared data infrastructures, IoT, the cloud) is critical. As of 2018, only 16 out of 34 countries included environmental data to support and monitor climate change policies in their open government data policies (Figure 4.6). The *OECD Framework for a Data-Driven Public Sector* (OECD, 2019^[59]) and OECD work on open government data provide guidance on how to enable access to and sharing of data on the green transition.

Figure 4.6. Elements covered in open government data policies/strategies



Note: Based on information provided by 31 OECD countries and 3 OECD partner and other economies (Colombia, Lithuania and Peru) in response to the OECD Survey on Open Government Data 3.0 (2017), Section 2, Question 5. Does the single central/federal OGD policy/strategy or central OGD initiatives cover the following areas?

Source: OECD (2018^[60]), *Open Government Data Report: Enhancing Policy Maturity for Sustainable Impact*, OECD Digital Government Studies, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264305847-en>.

Better monitoring and reporting on domestic environmental action is also needed. Governments should report to the public on progress towards meeting climate-related and environmental goals – regulator monitoring is critical to gather public feedback and promote awareness of results. An emerging area of work looks at whether and how public sector organisations make climate-related disclosures in financial statements. The majority of OECD countries that conduct green budgeting have adopted transparency and accountability measures to guide public institutions in achieving green goals. For instance, France and Italy prepare green budget statements as part of each government’s budget to show how the budget aligns with green objectives. Green budget statement can be used by parliament and stakeholders to assess how a budget contributes to climate or environmental objectives. In this way, transparency supports accountability. Green budgeting helps provide parliaments with additional resources when scrutinising budget proposals. It also provides resources for oversight by independent institutions such as fiscal councils and environmental commissions. For example, in Ireland, the Irish Climate Council provides recommendations to the government, including on the methodology used, with a ‘comply and explain’ principle binding the government.

Internal audit and oversight functions within government play a critical role in ensuring that public integrity is not compromised in climate policies and investments and that these, in turn, produce the intended results. Supreme Audit Institutions (SAIs) can play an important role in assessing national governments’ preparedness for the impacts of climate change and conducting performance audits of government programmes that contribute to climate change mitigation and adaptation. The challenge for governments is to ensure that SAIs and internal audit functions have the capacities and resources they need to protect public funds intended for climate change mitigation and adaptation against fraud and other integrity risks.

Justice systems also have a role in improving accountability in environmental action. Environmental claims are increasingly common and environmental justice has gone from a niche law discipline to a major policy concern. The fundamental right to a healthy environment can now be found in the constitutions of over 100 countries, and thousands of environmental treaties (multilateral and bilateral) exist among countries (International Environmental Agreements Database, 2021^[61]). To deal with the growing demand stemming from these legal provisions, many countries have established specialised environmental courts. For example, the New Zealand Environmental court, is staffed with judges and environment commissioners trained in a variety of scientific-technical, business, and agricultural fields as well as mediation. This has allowed to create consistent environmental jurisprudence for all citizens, including for indigenous peoples. In the OECD, other examples include the New South Wales, Australia, Land and Environment Court; and Chilean environmental courts. UNEP deems this “explosion” of environmental courts to be the most remarkable change to environmental justice in the 21st century (UNEP, 2016^[62]).

The growing number of environmental commitments adopted through international treaties and national legislation requires strong justice systems to ensure their enforcement. The increasing public call for environmental justice can only be answered by a responsive judiciary that is able to hold governments and companies accountable for respecting environmental regulations and protect fundamental rights to a quality environment. These cases are already reaching countries’ highest courts. A number of landmark cases have recently awarded victories for climate litigation (Box 4.3). There is also an increasing global recognition of intergenerational concerns posed by climate change in legal judgements (OECD, 2020^[37]). Countries including Australia, the Netherlands, Norway, the United Kingdom and the United States provide examples of legal judgements that can set the scene for future policy making on intergenerational justice. The Supreme Constitutional Court in Germany, for instance, asked the government for more ambitious climate protection measures to protect future generations (German Federal Constitutional Court, 2021^[63]).

Balancing the different interests in these cases, which are likely to multiply, and providing effective and timely remedies for citizens and businesses seeking to protect their right to a quality environment, require increasingly efficient and effective justice systems. Steps countries can take to achieve this include:

- **Promote specialisation and training in environmental matters for judges.** Judicial specialisation has shown to be beneficial to efficiency and to coherence in rulings in many areas (Council of Europe, 2012^[64]). However, the majority of judges currently have not been trained in international and national environmental laws.
- **Invest in the overall efficiency and effectiveness of the justice system.** The growing demand for effective case resolution in the area of environmental litigation makes it pressing to invest in the capacity of the system to respond adequately.
- **Enhance accessibility and people-centricity of the justice system.** Maintaining citizen trust in public institutions to deal with the climate emergency will also depend on preserving access justice concerning environmental law (OECD, 2019^[65]).

Box 4.3. Landmark cases on environmental justice

Australia

The Federal Court of Australia recently found that the Federal Minister for the Environment had a duty of care to protect young people from the potentially catastrophic events of climate change. In a decision considered the first of its kind, the Court ruled that the Minister had an obligation to consider the effects of harmful CO² emissions resulting from the extraction of coal in the Vickery Extension Project before approving it. The claim was brought on behalf of eight Australian children, as representative of “all children who ordinarily reside in Australia”. The judgment has been appealed by the Minister.

France

In July 2021, the highest administrative court in France (*Conseil d'État*) rendered its first decision related to environmental commitments of the Government under the Paris Agreement. Prompted by the commune of Grande-Synthe (Nord), a coastal town that could be severely affected by rising sea levels, and several climate action organisations (Oxfam France, Greenpeace France, Notre Affaire A Tous, Fondation Nicolas Hulot), the Council ordered the Government “to take all necessary measures to curb the curve of greenhouse gas emissions (...) in order to ensure its compatibility with the objectives” of France by March 31, 2022. Given the current levels, this would require reducing gas emissions by 40% in the following 9 months.

The Netherlands

The *Urgenda Foundation v. the Netherlands* (2019) case became a landmark environmental case when the Dutch Supreme Court ruled that by failing to reduce greenhouse gas emissions by at least 25% by 2020, the Dutch government would be acting unlawfully under Articles 2 and 8 of the European Charter of Human Rights. In response, the Dutch government vowed to reduce the capacity of its remaining coal-fired power stations by 75% and implement a EUR 3 billion package of measures to reduce Dutch emissions by 2020. This case has provided a growing impetus to legal arguments based on human rights in climate litigation procedures.

Note: These highlights are by no means exhaustive of the existing cases of relevance in the field of environmental law. For further information, see for instance: Grantham Research Institute on Climate Change and the Environment and Centre for Climate Change Economics and Policy, London School of Economics and Political Science. (2020) *Global trends in climate change litigation: 2020 snapshot*. Sources: *Sharma by her litigation representative Sister Marie Brigid Arthur v Minister for the Environment* [2021] FCA 560, available at [fedcourt.gov.au](https://www.fedcourt.gov.au); *Urgenda Foundation v. the Netherlands* (2019) ECLI:NL:HR:2019:2006 (available [here](https://www.eclinet.nl)); *Le Conseil d'Etat statuant au contentieux (Section du contentieux, 6ème et 5ème chambres réunies) N° 427301* (judgment available at: <https://www.conseil-etat.fr/en/news/greenhouse-gas-emissions-the-government-must-justify-within-3-months-that-the-reduction-path-to-2030-can-be-achieved>).

4.3.7. The gender-environment nexus

There is increasing recognition of the interlinkages between gender equality and environmental sustainability. Environmental degradation affects men and women differently often as a result of gender-differentiated roles and behaviours in society, as well as women's increased representation among the world's poor (OECD, 2021^[66]). Understanding how gender and the environment are interconnected can help to uncover underlying inequalities in multiple areas, especially related to ownership and control of natural resources, energy, transport, water, housing, and land-use. Very often, women and girls have limited access to or control over the above elements and are therefore more likely to be exposed to disaster-related risks, and less able to adapt to environmental degradation (OECD, 2021^[66]).

In addition, women can play a key role in promoting sustainable development, production and consumption and the achievement of environmental goals. They often play an active environmentalist role at the community and grassroots level in countries around the world, and tend to be overrepresented among the leading global campaigners against climate change (OECD, 2021^[66]).

4.3.8. Enabling governments to 'go global' on environmental challenges

Climate change and biodiversity loss are global in nature. Yet, national governments can essentially act only within national boundaries, making international co-operation and co-ordination essential. Despite increasing efforts – and some results – governments still struggle to act in a concerted manner. This lack of collective action may create a sense that domestic governments do not have the tools or capacity to address the issues that are of critical and growing importance to citizens' lives.

Outside of the global institutional governance of environmental issues taking place, for instance, under the UN Framework Convention on Climate Change (UNFCCC) and the Convention on Biological Diversity (CBD), which is beyond the scope of this chapter, governments have to step up their capacity both to act globally and to handle the domestic consequences of cross-border issues. This requires a reimagining of traditional public governance and rule-making processes that are still very much designed following “siloeed” approaches.

Strengthening governments' ability to act at a global level is crucial not only for tackling climate change, but also an increasing number of challenges that cannot be successfully addressed by governments acting alone, such as international tax, migration, trade and illicit trade, and international corruption. It involves boosting capacities in the civil service, establishing frameworks and processes to feed up and down the hierarchical ladders on global issues, and embedding a stronger international perspective in regulation. Pillar 3 of the OECD Reinforcing Democracy Initiative (see Chapter 3) takes a broader look at how governments can embrace the global nature of the challenges facing public institutions.

Nationally based approaches to climate change and sustainable development often provide only limited insights into transboundary policy effects or the impact of countries' actions on global sustainability. Nevertheless, there is a wide range of indicators, regularly produced by the OECD and others, of the economic (e.g. linked to official development assistance, tariff rates and agricultural support measures); social (e.g. linked to data on migration and remittances); and environmental (e.g. linked to carbon and water footprints) effects of domestic policies that are felt beyond national borders. Governments could make better use of these to design and implement coherent climate-related policies that benefit more people in more countries.

A number of countries have gained experience with anticipating, assessing and monitoring transboundary impacts as part of their efforts to improve policy coherence for sustainable development. This experience could be applied to the green transition, complemented and reinforced by international co-operation, agreements and commitments that foster sustainable development globally. For example, in the field of cross-border air pollution, the Canada-United States Air Quality Agreement and UNECE's Convention on Long-Range Transboundary Air Pollution show how countries can put in place agreements to advance co-operation on transboundary challenges (Kauffmann and Saffirio, 2021^[67]).

One way to take into account transboundary impacts is through international regulatory co-operation (IRC). Yet, less than one-fifth of OECD members systematically reflect international dimensions in their domestic rule-making activities (OECD, 2021^[68]). By adopting IRC strategies with clearly defined roles and responsibilities, and systematically applying an international lens in rulemaking, governments will be better able to both contribute to and benefit from global co-operation in addressing climate change. Governments can learn from each other and, when needed, develop co-ordinated and consistent regulatory responses while preserving their national prerogatives (Box 4.4).

International co-operation will also be crucial in helping developing countries manage short-term trade-offs associated with a green transition. Creating the right conditions for mobilising domestic, international and private investment will be critical. These include strengthening international and domestic green finance and investment by better targeting all types of development finance; promoting green technology and co-operation; building capacity for domestic green innovation and adoption; developing intellectual property rights regimes; and facilitating trade in green goods and services by removing tariff and non-tariff barriers.

Innovative public sector structures that allow for collaborative approaches may yield lessons for international co-operation on climate issues. Existing public institutions and approaches may not be sufficient for managing complex and transboundary policy problems. Governments need to find new ways of working together, including exploring new types of governance arrangements, experimenting with novel cross-border policy approaches, engaging the global public through democratic processes, developing interoperable systems for the free flow of information and data, and collectively designing and delivering new types of cross-border policies and services.

Box 4.4. Transforming rulemaking procedures for an interconnected world

1. Establish an international regulatory co-operation (IRC) strategy and its governance:

- Develop a whole-of-government IRC policy / strategy
- Establish a co-ordination mechanism in government on IRC activities to centralise relevant information on IRC practices and activities and to build a consensus and common language
- Enable an IRC conducive framework – i.e. raise awareness of IRC, build on existing platforms for co-operation, reduce anti-IRC biases and build in incentives for policy makers and regulators

2. Embed IRC throughout domestic rulemaking:

- Gather and rely on international knowledge and expertise
- Consider existing international instruments when developing regulation and document the rationale for departing from them
- Assess impacts beyond borders
- Engage actively with foreign stakeholders
- Embed consistency with international instruments as a key principle driving the review process in *ex post* evaluation and stock reviews
- Assess *ex ante* the co-operation needs to ensure appropriate enforcement and streamline “recognisable” procedures

3. Co-operate internationally – across levels:

- Co-operate with other countries to promote the development and diffusion of good practices and innovations in regulatory policy and governance
- Contribute to international fora which support regulatory co-operation
- Use mutual recognition in combination with international instruments
- Align IRC expectations across various policy instruments, including in trade agreements

Source: (OECD, 2021^[69]) and (OECD, 2022^[70])

Finally, momentum for climate and environmental action at the global level is building outside of international organisations. Intergovernmental fora, such as the G20, have become more prevalent and often provide political momentum for wider international negotiations. More and more standards are being developed and adopted at a global level in the private sector, and civil society, through NGOs and even individuals galvanise public support and influencing international outcomes. Governments need to adapt their role in orchestrating international action on climate and the environment accordingly. They also need to consolidate the messages of these multiple fora in order to bring a clear message on international climate- and environment-related action back to their citizens.

4.4. Key area 2: Using the right tools for climate and environmental action

Governments need to make the best use of available governance tools to achieve the structural changes needed for the green transition. Green budgeting, regulations, infrastructure planning procedures and public procurement should be unlocked to align government policies, public investment, consumption and taxation with green objectives. The systematic use of these governance tools would also help reinforce trust in climate action by strengthening the climate governance framework and demonstrating commitment. To do so, governments will also need to improve planning, make sure that civil servants have the needed skills and approaches and tap into innovative governance approaches.

4.4.1. Key transformation tools

Improving infrastructure governance for greener infrastructure

Infrastructure plays a unique role in emissions levels. International studies attribute 50% to 70% of greenhouse gas emissions to infrastructure (G20 Infrastructure Working Group (forthcoming), 2021^[71]). Of this, only around 20% is related to the construction of physical infrastructure; the other 80% is due to the operations and use of infrastructure (Saha, 2018^[72]). Infrastructure decision making determines use patterns, from commute distances to incentives for the installation of solar panels. Influencing the behaviour of infrastructure developers, users and the economy can thus help reduce emissions. Infrastructure's share of carbon emissions is growing, making it an essential area for climate action. Most existing energy and transport infrastructure was designed and built for a world of cheap and abundant fossil fuels, contributing to economic growth in many regions but also to greenhouse gas (GHG) emissions. In Europe, the energy sector represented 27% the EU's greenhouse gas emissions in 2019, with transport (including international shipping and aviation) emissions at 32%, up from 24% in 2000.⁵

Given the long life of infrastructure assets, investment decisions made today on the type of infrastructure (high- or low-carbon) will determine whether the goal of reaching net zero emissions will be achievable – in particular given the rapid rolling-out of recovery investments. In the shorter term, choices made on infrastructure systems and public expenditures will have immediate consequences in terms of halting the dramatic loss in biodiversity and making infrastructure more resilient (European Commission, 2021^[73]).

Climate change has increased the frequency of climate-related shocks (floods, extreme temperatures, geological hazards, security threats or other risks) that, in turn, are testing the limits of infrastructure resilience. For example, sea level rise will affect building areas, while higher temperatures will require higher heat tolerance for infrastructure such as railway tracks. Infrastructure assets are already subject to value depreciation due to gradual wear or aging, but infrastructure failures due to climate-related disasters have an immediate impact on citizens' lives and well-being and on value chain continuity. Upfront planning and investment is required to ensure that both new and existing infrastructure can withstand external shocks throughout their planned lifespan.

Building resilient, green and inclusive economies and societies requires a new governance approach for infrastructure: a complete transformation of how infrastructure is planned, delivered and used. Infrastructure needs to be climate-proofed against potential disruptions, including impacts of climate change itself, and against changing economic circumstances, such as strained public finances and increased debt. The recently published OECD Building Resilience report, which supports the Italian G20 Quality Infrastructure Agenda, offers a new governance approach for infrastructure based on the *OECD Recommendation on the Governance of Infrastructure*. This approach seeks to get the best out of an asset over its life cycle, across functions and tasks and the entire infrastructure system/network, using new technologies and nature-based solutions (OECD, 2020^[74]) (Box 4.5).

Box 4.5. Greening governance of infrastructure investments

Infrastructure governance has a key role to play in shaping a green transition. Future investment decisions will need to avoid further lock-in of carbon emissions and promote environmentally sustainable technologies. Planning and decision-making frameworks that are responsive to these rapidly evolving needs and contexts can allow governments to future-proof investment choices and improve the environmental sustainability of the nation's infrastructure.

The *OECD Recommendation on the Governance of Infrastructure* provides guidance for policy makers and key stakeholders on the institutions, processes, and policy tools needed to effectively deliver climate and environmental policy goals in an integrated manner, accelerate progress towards a sustainable and inclusive recovery, and ensure affordable and equitable access to infrastructure services. The Recommendation lays out ten pillars that can support governments in linking infrastructure decisions and plans to climate objectives in order to unlock a green transition.



Source: OECD (2020^[74]), "OECD Recommendation on the Governance of Infrastructure", *OECD Legal Instruments*, OECD-LEGAL-0460, OECD, Paris, <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0460>

The major challenges for greening infrastructure include governments' capacity to link infrastructure planning to climate objectives; to put in place criteria for selecting infrastructure projects in line with overall objectives; and to deliver, operate, maintain, upgrade or retire infrastructure assets in ways that accelerate the reduction in its carbon emissions – as well as the broader environmental footprint – while influencing the behaviour of citizens and businesses to make more sustainable choices.

In the planning phase, developing a long-term strategic vision for infrastructure that aligns with long-term policy objectives – including commitments on environmental protection and climate change mitigation – is crucial to help governments identify and address infrastructure service needs in a timely and coherent way. As highlighted by the *OECD Recommendation on the Governance of Infrastructure*, to implement this long-term vision, countries should develop an integrated national infrastructure plan, prioritising all projects according to the highest cost-benefit ratio based on economic, environmental and social factors. This plan should integrate maintenance and resilience (OECD, 2021^[75]), including national climate adaptation planning; critical infrastructure protection programmes; and spatial planning. It should also cover all aspects of a sound

asset management system, ranging from asset management policy and strategy to key enablers and opportunities such as natural based solutions and technological innovations (OECD, 2021^[76]).

Most OECD countries are aware of the need to align infrastructure plans with broader sustainable development objectives, and 73% of them align their long-term infrastructure plan with environmental and climate action policies (OECD, 2021^[6]). In most of these countries, the aim is to invest in important projects that enable the implementation of broader sustainability initiatives (67%), followed by adapting existing infrastructure to improve environmental performance, and identifying cross-sector synergies to reduce negative environmental impacts (57%). Still, fewer countries have adopted resource efficiency targets in the construction and operation of infrastructure (40%) or research and development to promote environmentally friendly infrastructure (33%) (see Key Indicators - Figure 4.2, Panel D).

The prioritisation and selection of infrastructure projects need to integrate climate and environmental considerations. In light of international and national climate targets and new regulations such as the Paris Agreement, the European Green Deal and the EU Taxonomy, it is paramount to introduce these considerations in new investment appraisal tools to quantify investment impacts in order to select and prioritise projects, and to integrate these tools into public investment process. Governments face a substantial task in determining which investment possibilities can best contribute to the achievement of climate policy goals. Only 19 OECD countries report that they have a shortlist of priority projects, with most driven by some combination of cost-benefit analysis results, infrastructure plans, and strong political backing (OECD, 2019^[77]). To accelerate the climate transition key prioritisation instruments need to fully incorporate climate considerations, climate proofing infrastructure (Box 4.6).

Box 4.6. Climate-proofing infrastructure and implementing recovery plans

Climate ambitions and recovery plans need to be implemented successfully and on time. Governments must turn their pledges into clear and credible policy actions and strategies today. Infrastructure projects are an essential aspect of climate action and should be designed for a climate-neutral and climate-resilient future. The operation, maintenance and final decommissioning of any project should be carried out in a climate-neutral way, which also implies circular economy considerations, such as the recycling or repurposing of materials. Adaptation measures building on climate risk assessments will help ensure climate-resilient infrastructure projects.

The European Commission (EC) has recently published a methodology on the climate-proofing of infrastructure to help mainstream climate considerations in future investment and infrastructure projects (including buildings, network infrastructure, built systems and assets). This methodology should be followed in the context of InvestEU direct financing in order to be aligned with the Paris Agreement and the EU climate objectives.

The OECD supports countries' efforts to strengthen infrastructure governance frameworks to lead the green transition. In Italy, the collaboration between the OECD, the EC and the Ministry for Sustainable Infrastructure and Mobility through a project to support reforms by the Italian Government under the Recovery and Resilience Plan and the attached Next EU funds.¹ In Ireland, the OECD with the EC and the Department of Public Expenditure is developing an integrated framework and appropriate methodological tools to prioritise investment and integrate climate considerations in sectors such as transport and coastal protection.

Note: As required by Article 8(6) of the InvestEU Regulation (Technical Guidance on the climate proofing of infrastructure in the period 2021-2027)

1. The OECD team supporting this project includes the Public Governance Directorate, the Environment Directorate and the International Transport Forum.

Source: EU (2021) Technical Guidance on the climate proofing of infrastructure in the period 2021-2027

Infrastructure governance is also required for effective sustainable decision making and public acceptance of green solutions. For example, nature-based solutions (NbS) offer innovative ways to build infrastructure sustainability and resilience. Such systems support both natural and managed ecosystems that provide infrastructure services with fewer negative impacts on the environment than traditional “grey” infrastructure. Without the appropriate infrastructure governance, however, many NbS solutions may end up as one-off interventions and at a relatively modest scale. To fully benefit from these innovative approaches, governments need to understand their uses and limitations and modernise their decision-making systems to allow for more agile and sustainable solutions.

In the operations and maintenance phase, the monitoring of infrastructure assets plays a key role in ensuring infrastructure quality and resilience as well as progress on climate emissions objectives. Efficient monitoring and maintenance of infrastructure assets can help slow asset deterioration, prevent loss of asset value, and reduce costs. Yet, fiscal limitations put increasing pressure on local authorities to cut costs that may translate into a lack of inspections and monitoring of infrastructure assets. At the same time, consumers’ service quality expectations are rising, with users of infrastructure expecting better information and management.

The use of “big data” and scenario analysis to improve infrastructure monitoring will help enable greener, more agile interventions that ensure effective, safe and accessible infrastructure services. The OECD’s new governance approach for infrastructure promotes the use of new technologies and data, as well as nature-based solutions for infrastructure (OECD, 2021^[78]). It shows how new technologies and data science are transforming how infrastructure is planned, operated and maintained. In particular, real-time monitoring improves infrastructure resilience by ensuring the continued operations of critical networks such as utilities, transport and telecommunications during climate-related disasters. Automation and smartphones reduce monitoring costs, offering alternatives to traditional infrastructure design, construction and maintenance, while predictive maintenance can extend the life of the asset while also ensuring efficient budget allocation and avoiding costly – and polluting – project renewals. Furthermore, InfraTech-enabled sensors and monitors can complement administrative input and output data with new, outcome-based data for monitoring and decision making. Still, the take-up of digital technologies requires governments to address a series of challenges, including legal barriers (e.g. quality and adequacy of regulatory frameworks), institutional barriers (e.g. the structures governing the operation of regulators), decision-making processes (e.g. integration of risk management) or technology risks (e.g. privacy, data protection and security).

Given current constraints and the impact of stimulus programmes on public budgets, alternative and diversified financing is needed to reach climate objectives. Budgetary treatment plays a crucial role in planning and securing stable funding for infrastructure, and public interventions should focus on creating incentive schemes to better mobilise private financing. Different delivery models (feed-in-tariffs, premium tariffs, quotas, tenders) and the quality of support schemes define the role of the private sector in providing construction, maintenance and operations services. Moreover, the accounting treatment of assets can create incentives for infrastructure owners to maintain their assets. Taking a life-cycle approach to infrastructure planning will not only allow governments to better attract long-term backing, such as institutional investors but will also help them integrate a longer-term perspective on environmental impacts into their own decision making ultimately driving down the overall costs of projects.

Ensuring that private sector investment in public infrastructure promotes green goals is critical, and requires adaptations by both the public and the private sector. On the one hand, the public sector needs to provide information for infrastructure investors on policy objectives and the required characteristics of assets in terms of environmental, social and governance (ESG) impacts over the long term. On the other hand, investors need to integrate ESG considerations in their investment frameworks to manage ESG-related risks and opportunities (OECD, 2021^[79]). The public sector can support this by providing environmental objectives against which investors can align their investment strategies. For example, the EU Taxonomy makes it possible to classify certain economic activities as environmentally sustainable.

From the public sector perspective, several international standards and tools have been developed to integrate sustainability and resilience aspects into infrastructure development. These tools encourage and reward projects that have positive climate, environmental and social impacts, while reducing their negative impacts. Common standards allow governments to: (i) identify a project's impacts; (ii) introduce mitigation measures to address these impacts; and (iii) where possible, recognise opportunities to improve the project's sustainability performance (European Commission, 2021^[80]).

Despite broad recognition of the importance of ESG criteria and increasing interest both by governments and institutional investors in incorporating these factors into infrastructure investment decision making, the application of these criteria in asset valuation remains at an early stage. As highlighted in the *G20 Principles for Quality Infrastructure* developed in 2019, both the positive and negative impacts of infrastructure projects on ecosystems, biodiversity, climate, weather and the use of resources should be incorporated into the infrastructure investment process. This can be supported by better public-private dialogue on the convergence of ESG standards. Ultimately, providing more standardised information would allow governments to better understand and respond to investor interest.⁶

Leveraging the public sector's purchasing power: green procurement

Government procurement is one of the ways the public sector has a concrete impact on the environment in which citizens live. Given procurement's economic significance, government's position as the prime client of the private sector in many business areas, and the sheer variety of public purchasing, outcomes-based public procurement strategies can significantly contribute greener societies and economies. Furthermore, all levels of government have a part to play.

Public procurement is an important strategic tool for achieving government's environmental goals. Among 22 OECD-EU countries for which data is available, public procurement spending increased from 13.7% of GDP in 2019 to 14.9% of GDP in 2020 (OECD, 2021^[6]). Governments can lead the way in supporting environmental action by taking a greener approach to public buying. Countries have already taken steps to align their procurement spending with strategies to tackle the climate crisis. The United States, for example, directed the federal government, through an Executive Order, to align its management of federal procurement and real property to achieve a 100% clean energy economy by 2035 and reach net zero emissions no later than 2050 (Executive Office of the President, 2021^[81]). Similarly, in Slovenia, since the adoption of the Decree on Green Public Procurement in 2011, all contracting authorities must meet the stated environmental criteria when awarding a public procurement procedure for any of the 22 green subject matters specified by the Decree.

Public procurement provides a major incentive to innovative companies by allowing them to invest in the necessary R&D without incurring demand uncertainty. When public administrations aggregate public needs in tenders, they provide suppliers with increased certainty regarding the demand for green innovative products. The public sector can thus create, escalate or consolidate innovative green markets. Beyond greening government's own operations, public administrations also act as a lead consumer; these practices then diffuse to markets and private consumers.

Leveraging governments' purchasing power to achieve environmental benefits requires a whole-of-government approach considering that procurement spending is largely decentralised in OECD countries: sub-national governments account on average for 63% of total procurement expenditure. Designing a strategy or framework to support environmental objectives in public procurement is important to ensure policy coherence and consistency among procurement practices across levels of governments. All OECD countries have such a strategy or regulatory framework to promote environmental objectives in public procurement.

Embedding rules and standards in tender processes can help promote innovation and sustainability in public procurement. This is the case in the Netherlands, where only sustainable cement is allowed in building projects and where "Most Economically Advantageous Tender methodology (MEAT)" is used to

reward tenders that include reductions in emissions and a lower overall environmental impact. Similarly, as of 2021, bidders in the UK for large public procurement contracts (those exceeding GBP 5 million per annum) are required to produce carbon reduction plans setting out how the organisation intends to achieve 'net zero' carbon emissions by the year 2050.

In sectors where the public sector is the largest consumer, the high sustainability standards set in the procurement process will also benefit other categories of consumers. This might happen in sectors such as health and education, where the allocation of resources can be improved (OECD, 2006^[82]) (Sandra Black, 2021^[83]). Economies of scale can also create a market that makes more responsible products, such as low-emission products, more accessible to consumers (OECD, 2019^[84]). Acknowledging this, Canada's Green Public Procurement strategy (Government of Canada, 2018^[85]) highlights that, where decisions are made to realise specific environmental outcomes through procurement, it is expected this will: i) demonstrate environmental leadership and influence industry and citizens to use environmentally preferable and climate-resilient goods, services and processes; and ii) stimulate innovation and market development of, and demand for, environmentally preferred goods and services, making these available and mainstream for other sectors of society (OECD, forthcoming^[86]).

The procurement of digital infrastructure can contribute to green digital government by prioritising suppliers that reduce their climate footprint and making them accountable as part of contracting processes. Governments can create incentives for achieving net zero digital emissions, for example by selecting and endorsing environmentally responsible suppliers and by promoting public-private collaboration to identify and endorse environment-friendly digital technologies that help achieve the green transition. Public sector demand can be influential in driving higher standards, especially where common environmental criteria are adopted by many public buyers. Experience points to the importance of market engagement to ensure suppliers are able to meet requirements and that the impact on lifecycle costs for ICT are understood within the purchasing organisation. For example, the Irish green public procurement criteria for data centres address a number of aspects of design, operational lifetime and end-of-life management that can reduce lifecycle costs and the environmental impact. This is particularly important as the growing demand for data centre services also has major environmental impacts, including electricity consumption of ICT in data centres, direct and indirect GHG emissions linked to data centre operations, or the use of high global warming potential (GWP) gases in cooling systems.

Mainstreaming green objectives in government's procurement practices still faces several challenges, however:

- Effective implementation of these strategies and frameworks relies on a public procurement workforce that has the skills and competences to navigate increasingly complex purchases, from defining criteria involving the assessment of environmental externalities to collaborating with the market to identify greener solutions to public needs. Several countries are making progress in this area. The European Commission supports its member states by developing a scalable competency framework for public buyers that can be tailored to specific objectives promoted by countries.
- Public tenders need to better capture the lifecycle costs and environmental impacts of goods and services procured to incentivise the private sector to compete on the green dimensions of their offerings. Asymmetries of information on detailed environmental impacts of goods, services and works procured, and lack of unified pricing instruments in the area of climate change, often leave public administrations unable to award public contracts based on life-cycle costs (LCC) and externalities. Early market engagement can help governments gather data to inform the design of LCC tools, comparing the various environmental impacts of solutions proposed by suppliers, and to award public contracts by taking into account green benefits. For instance, the Procura+ European Sustainable Procurement Network developed a tool to calculate LCC and CO² emissions, identifying information the private sector should provide before government designs the evaluation frameworks for awarding public contracts. Early market engagement can also support

public buyers in building more sustainable supply chains respecting environmental standards, especially when enforced by comprehensive contract management strategies and practices.

- Public procurement operations should ensure that all participants involved in the supply chain play by the same rules so that public procurement acts as a positive signal, promoting a “race to the top” business environment. A recent OECD report highlights that subcontractors and other supply chain actors are often not subject to the same strict obligations on environmental criteria as the main suppliers (OECD, 2020^[87]). In particular, recognising businesses’ efforts to incorporate responsible business conduct (RBC) standards, including environmental ones, in their business models when they are applying for public contracts can help encourage greener public purchases (OECD, forthcoming^[88]).
- Governments willing to expand the use of green public procurement should close the data gap currently hampering a holistic measurement of the impacts of green procurement strategies, not only to understand the environmental benefits reaped by greener government operations but also to develop more sustainable economies. Currently, Korea stands out as one of the few OECD countries able to measure the impact of procurement practices across public institutions, evaluate green jobs creation through public procurement and report them against historical records (Box 4.7).

Box 4.7. Monitoring the impact of green public procurement (GPP) in Korea

The Republic of Korea is a frontrunner in using and linking electronic procurement systems and platforms for GPP implementation and monitoring. The early implementation of the Korean Online E-Procurement System (KONEPS), KONEPS e-shopping malls, and the Korea Environmental Industry and Technology Institute (KEITI)’s Green Procurement Information System, combined with the most recent developments of the public procurement data system, enable the automatic collection and reporting of GPP data for all government levels

An important GPP feature in the Republic of Korea is the evaluation of procuring entities against GPP records. The Republic of Korea also promotes supplier engagement and green procurement in the private sector, through voluntary agreements, Eco-Expo Korea, and so on, as the expansion of Korean green markets and companies to the global market is a green industry policy goal.

The Republic of Korea is, together with Japan, one of the few countries to annually measure environmental outcomes of GPP.

Source: Adapted from (UNEP, 2019^[88])

Moving decisively to “green budgeting”

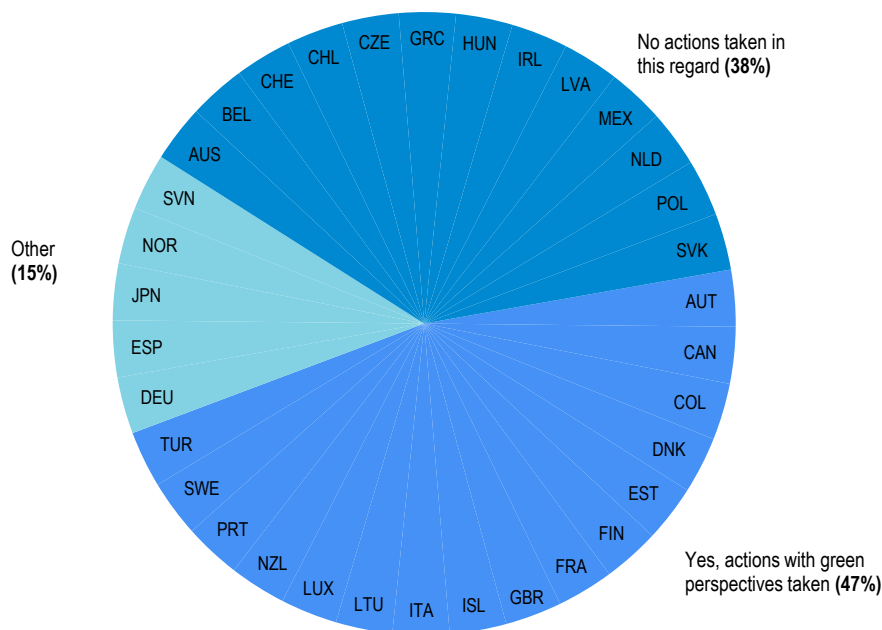
Budgets can be a powerful instrument for aligning policies with climate and environmental commitments at national and global levels. “Green budgeting” refers to the use of budgetary policy making tools to give policy makers a clearer understanding of the environmental and climate impacts of budgeting choices and help them achieve climate and environmental goals (OECD, 2021^[89]).

Green budgeting practices are becoming more common across OECD countries. The OECD composite indicator on green budgeting practices notes that, in 2021, 14 out of 38 OECD countries (37%) reported practising green budgeting (see Key Indicators - Figure 4.2, Panel A). Among these 14 countries, practices vary in terms of institutional arrangements, tools, accountability mechanism and the enabling environment: there is no one-size-fits-all approach to green budgeting. While the methods for implementing green budgeting are specific to each country, the results in each element of the above-mentioned composite

indicator are reasonably similar (Blazey, A. and Lelong, M., 2022^[90]). The number of countries practicing green budgeting continues to grow.

A number of governments used green budgeting in their COVID-19 recovery efforts, prioritising green policy choices to promote environmental objectives and speed up structural change towards the low-carbon transition (Figure 4.7).

Figure 4.7. Actions taken to integrate green perspectives into COVID-19 recovery measures, as of end June 2020



Note: Data for Israel and the United States are not available. Korea did not reply to the survey question. Romania (other major economy) had not taken actions to integrate green perspectives into COVID-19 measures.

Note on "Other": In Germany, the recovery included measures to facilitate structural transformation of the automotive industry and future-proof value chains; in Japan, recovery efforts included environmentally-responsive measures such as solar power generation facilities and high-performance ventilation equipment at public places; in Norway relevant government actions undergo considerations for environmental consequences; in Slovenia, the government has prepared the recovery plan to include green transition into its growth strategy; in Spain, the Ministry of Ecological Transition has promoted a series of measures directly related to COVID-19 (e.g. sanitary waste management).

Source: OECD and EC (2020), Joint Survey on Emerging Green Budgeting Practices.

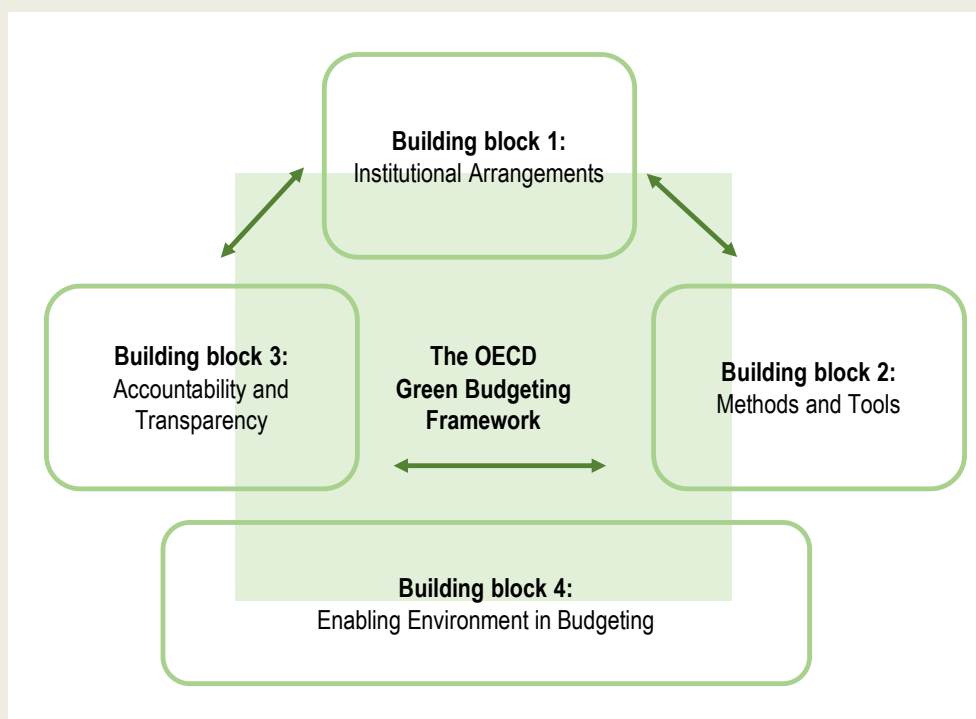
Governments have various ways to bring climate and environmental considerations into budgetary policy making (Box 4.8). These include: (i) the 'greening' of medium-term fiscal frameworks, highlighting linkages among the economy, fiscal policy and the environment; (ii) including climate change in fiscal-risk assessments and management; (iii) tagging budgetary items that contribute – positively or negatively – to the environment; (iv) policy evaluations and environmental impact assessments; (v) green spending reviews; and (vi) and green accounting statements (OECD, 2021^[89]) (Table 4.1). To help countries in their expansion of green budgeting practices, the European Commission (EC), the International Monetary Fund (IMF) and the OECD worked jointly to define the main elements and features of green budgeting practices (European Commission/IMF/OECD, 2021^[91]). The OECD has also worked with the EC on a stocktaking of existing subnational green budgeting practices in OECD and EU countries to help subnational governments adopt green budgeting practices and improve existing ones (OECD, 2022^[92]).

Box 4.8. OECD Green budgeting Framework

The OECD green budgeting framework comprises four building blocks (Figure 4.8). Each building block helps ensure green budgeting is integrated into a government's budget process.

- **Institutional arrangements:** A country's national climate and environmental objectives. Green budgeting helps meet these objectives and is demonstrated through legislative instruments and institutional responsibilities that are integrated into the budget process.
- **Methods and tools:** The means which countries can analyse, assess, forecast, model and evaluate policies and proposals relative to the climate and environmental objectives in the strategic framework.
- **Accountability and transparency** help to embed green budgeting and assure its credibility, through, for example, the scrutiny provided by parliament and oversight bodies such as independent fiscal institutions.
- **Enabling environment in budgeting:** the budgetary governance arrangements within the ministry of finance and other ministries help ensure that green budgeting can deliver results.

Figure 4.8. The four building blocks of the OECD green budgeting framework



Source: OECD (2020^[93]), *OECD Green Budgeting Framework*, OECD, Paris, <http://www.oecd.org/environment/green-budgeting/OECD-Green-Budgeting-Framework-Highlights.pdf>.

Table 4.1. Commonly used tools by countries practising Green Budgeting, 2021

		Austria	Canada	Colombia	Denmark	France	Ireland	Italy	Luxembourg	Mexico	Netherlands	Norway	Portugal	Sweden	United Kingdom
Environmental impact assessments	<i>Ex ante</i>	•	•		•	•	•	•	•		•			•	•
	<i>Ex post</i>	•		•	•		•	•	•		•			•	
Green budget tagging	<i>Ex ante</i>					•	•	•	•	•		•			
	<i>Ex post</i>			•		•	•	•							
Environmental cost benefit analysis	For some individual budget measures		•	•	•	•	•	•			•	•		•	•
	For all individual budget measures														
Carbon assessment	For some individual budget measures	•		•	•	•	•				•	•		•	•
	For all individual budget measures							•							
	Whole budget				•						•	•			
Other tools	Biodiversity/Ecosystem service pricing														
	Carbon pricing instruments including fuel and carbon taxation, emissions trading systems		•	•	•	•	•		•	•	•	•	•	•	•
	Using a shadow price of carbon to evaluate public policies and investment				•	•	•			•		•		•	•
	Environmental tax reform				•		•				•	•	•	•	•
	Regular review of environmentally harmful tax expenditures and subsidies		•			•					•				•
	Inclusion of climate considerations in long-term fiscal sustainability analysis			•						•	•				•
	Green balance sheet														
	Environmental audit or validation of the budget													•	
	Green perspective in performance setting or performance budgeting					•	•								•
Green perspective in spending review	•			•		•								•	

Source: (OECD, forthcoming^[94])

Despite its growing use, OECD countries still face a range of challenges when implementing green budgeting. The most common relate to the lack of methodologies to assess environmental effects, the absence of a modern multi-annual budgetary framework linked to strategic planning, shortfalls in political will to implement green budgeting, and time and staffing deficits, including lack of relevant knowledge and technical expertise (European Commission/IMF/OECD, 2021^[91]). The OECD is working with Members on this topic through the **OECD Paris Collaborative on Green Budgeting**, a platform for countries to share best practices and to build resources on how green budgeting can inform public expenditure decisions (OECD, 2021^[89]) (Box 4.9).

Box 4.9. OECD Paris Collaborative on Green Budgeting

The Paris Collaborative on Green Budgeting was launched by the OECD at the One Planet Summit in Paris on 12 December 2017. It aims to design new, innovative tools to assess and drive improvements in the alignment of national expenditure and revenue processes with climate and other environmental goals. This serves as a crucial step in achieving a central objective of the Paris Agreement on climate change as well as of the Aichi Biodiversity Targets and the United Nations' Sustainable Development Goals – aligning national policy frameworks and financial flows on a pathway towards low greenhouse gas emissions and environmentally sustainable development.

Source: (OECD, 2021^[95])

Climate change involves environmental, biodiversity, and climate risks for countries, which, in turn, have budgetary and debt implications. Budget policy responses tend to increase government deficits and debts. For the medium-term budget framework to be credible, governments need to strengthen budget governance and to break down and manage these risks. Integrating disaster and climate risk in fiscal planning and budgeting frameworks in advance helps make countries more financially resilient (OECD/The World Bank, 2019^[96]).

In the short term, environmental taxation creates new revenues for countries. This new income can then be used in several ways, such as to decrease other taxes, such as labour tax, or to extend compensatory budget measures for households. It also makes it possible to increase spending on investments in green sectors, innovations, or the financing of the Sustainable Development Goals (SDGs). In France, for example, such revenue was used to expand funding of renewable energies via a special allocation account.

The “greening” of medium-term frameworks provides an opportunity to integrate climate and environmental forecasts with macro-fiscal forecasts. The government’s capacity to estimate the quantity and impact of climate-related spending over the medium term and then link these estimates with a baseline of sound macroeconomic and fiscal forecasts is crucial to green budgeting. However, with a few notable exceptions, many macro-fiscal forecasting models are not designed to account for the looming economic, budgetary, and financial costs resulting from climate change. Developing forecasting tools that capture the linkages among fiscal policy, the economy, and the environment may be prioritised as climate and environmental objectives gain prominence in the budget.

OECD countries are just starting to look at monitoring green accounting. Despite the multiplication of environmental and climate projects and actions implemented, some countries find it difficult to measure them in accounting terms and to estimate their value. General, analytical and budgetary accounting processes are complementary and help ensure the credibility of the budget and its execution. Although international accounting standards include methodologies for tracking environmental assets and liabilities (either through traditional accounting or the creation of new classes of accounts), few countries have specific green accounting systems in place.

Taking the environment into account in public financial information should help improve the budget and financial governance of countries. Moreover, the adaptation of accounting to environmental issues must also be done in tandem with more global accounting reforms such as accrual accounting. Green accounting could be a powerful tool for encouraging governments and administrations to take up green budgeting.

To ensure that the fiscal framework remains credible and reduces negative contingencies, governments need to analyse and manage the risks related to climate change and environmental degradation. Climate change and related policies affect public debt sustainability risks. As extreme weather events become more frequent and intense worldwide, their economic costs to both the public and private sectors are increasing. Governments have several ways to assess and manage these types of fiscal risks (OECD,

2021^[89]). Medium-term budget analysis, macro-fiscal scenarios and stress tests can be useful tools. Long-term sustainability analysis that takes into account environmental and climate issues can help identify the governance reforms needed within the administration. The results of these analyses should inform and be integrated into countries' medium-term strategies and budget frameworks.

Rebooting regulatory policy for the green transition

Regulation is a crucial government lever for climate action and the green transition. Yet, to adapt to the evolving priorities of governments, regulatory policy needs to evolve, adjusting traditional regulatory management tools and using new approaches to achieve environmental goals.

Regulatory policy provides a set of powerful tools that, when applied at all stages of the regulatory policy cycle, should help governments put the economy and society on a carbon-neutral, resilient and sustainable path. These tools include good regulatory practices – such as regulatory impact assessment (RIA), stakeholder consultation and *ex post* evaluation of existing regulations – which need to be adapted to the challenges and the opportunities brought by transformative change and better focussed on climate goals. More recent practices, such as international regulatory co-operation (IRC), can improve the effectiveness of regulations that aim to tackle a cross-border challenge such as climate change (see Key Area 1). Finally, a greater emphasis on the benefits of regulations, better analysis of distributional effects and equality, and providing evidence to promote the values agreed on by society can all improve the use of regulatory policy for green goals.

RIA can help ensure policy coherence and the integration of environmental concerns in different policy areas. Embedding climate considerations at the *ex ante* impact assessment stage is crucial for the development of new legislation to help achieve climate goals. A range of issues need to be considered in these assessments, including the analysis of climate and other environmental impacts, the development of appropriate baselines (i.e. the costs of inaction), the sustainability and natural capital, ecosystems and biodiversity protection, health valuation and the social cost of carbon. In addition, the assessment of distributional impacts – i.e. identifying which communities or geographical areas will bear the costs or enjoy the benefits of a regulation – is growing in importance in light of the climate crisis. In recent years, OECD member countries and the European Union have required greater consideration of potential environmental impacts when designing rules (see Key Indicators - Figure 4.2, Panel C). In general, policy makers have been provided with methodological information about *how* and *what* to include when assessing potential environmental impacts. Engaging all relevant stakeholders through public consultation can help ensure that regulations are appropriate, effective and efficient. It will also contribute to better acceptance of and compliance with sometimes painful regulatory measures among all stakeholders. A number of environmentally related policy proposals have been improved as a result of RIA (Box 4.10), and some countries are making progress in using this tool to identify potential gender-specific effects of environmental policies (OECD, 2021^[66]) (Box 4.11).

Governments also need to ensure that the innovation that can help solve the world's most pressing environmental and social challenges is not held back by regulations designed for the past. Agile, flexible and better co-ordinated governance and regulatory practices are needed to unlock the potential of innovation while safeguarding interrelated societal goals such as environmental sustainability, health and safety, and social justice. The new *OECD Recommendation for Agile Regulatory Governance to Harness Innovation* provides guidance on this. It aims to help governments adjust regulatory management tools to ensure regulations are fit for the future; set the institutional foundations to enable co-operation and joined-up approaches within and across jurisdictions; develop governance frameworks to enable the development of agile and adaptive regulation; and ensure that regulatory enforcement meets new needs.

Risk-proportionate rules and processes are essential to facilitate the transition to low-carbon energy sources and reduce energy consumption. Regulations that promote energy efficiency and require lower emissions need to be properly enforced. Risk-averse and rigid regulations can block the deployment of

carbon-reducing technologies and infrastructure: it is essential to streamline technical rules and permit requirements so that they are effective at preventing and managing risks, but in the most agile and innovation-friendly way possible. This means imposing permitting requirements only when risks are sufficiently high to justify it, and ensuring that they are not more onerous than those applied to CO₂-intensive technologies for a comparable risk. It also means making processes as streamlined as possible and issuing clear and simple guidance to both frontline regulators and business operators. In addition, inadequate rules and delivery procedures (permits, certification, inspections and enforcement) can jeopardise the effectiveness of energy efficiency regulations (of vehicles, buildings, appliances), and this is also true of rules that seek to curb damaging environmental practices, for instance in extractive industries. Building outcomes-focused, flexible, data-driven, technology-enabled regulatory delivery systems is essential. This includes better detection of environmental problems through remote monitoring of emissions, reallocation of inspections and enforcement resources to the more “climate-damaging” risk areas, testing and certification requirements that are based on “real life” scenarios, and better market surveillance to ensure third-party certification remains trustworthy.

Systematically conducting *ex post* implementation evaluation and review is key to ensuring that the existing stock of legislation is in line with nationally and globally agreed climate and environmental goals. The stock of laws and regulations has grown rapidly in most countries. However, not all regulations will have been rigorously assessed *ex ante*, and even where they have, not all effects can be known in advance. Regulations should be periodically reviewed, both to acknowledge that the original environment justifying the regulation may have changed and to see how regulations have actually worked in practice. Evaluations of existing regulations can also produce important lessons on how to improve the design and administration of new regulations (OECD, 2020^[97]).

Box 4.10. How RIA has helped improve environmentally related regulatory proposals

The **New Zealand** Government proposed a Healthy Waterways policy package aimed at restoring and protecting the health of the country’s waterways by strengthening *Te Mana o Te Wai* as the framework for freshwater management;¹ improving the health of the ecosystem; strengthening the protection of wetlands and estuaries; protecting sources of drinking water; improving water and farm management practices; controlling high-risk farming activities and limiting agricultural intensification. The proposed policies changed significantly in light of the consultation comments on the interim RIA, recommendations from the Independent Advisory Panel, and in response to the new implementation challenges of COVID-19 pandemic. The updated proposal sought to protect freshwater bodies through more environmentally conservative objectives and limits in plans, halt further degradation of freshwater bodies, and increase restoration efforts where communities and regional councils identified that water would not be able to sustain current demands.

The Ministry of the Environment in **Denmark** amended the Environmental Protection Act by an executive order on waste management. The implementing regulation on waste management was initially drafted in a way that imposed DKK 24 M in administrative burdens on businesses. Based on the results of an RIA on administrative burdens for businesses, the regulation was rewritten to put the burden on fewer businesses, thereby lowering the burden to less than DKK 4 M.

1. *Te Mana o te Wai* relates to the essential value of water as a precious resource. This concept highlights the importance of sustaining the integrity and health of the water before providing for human use, through a three-tiered hierarchy of obligations: firstly, the obligation is to the water itself, to protect its health and its mauri; secondly, the obligation is providing for essential human needs, such as drinking water; thirdly, for other uses.

Source: Indicators of Regulatory Policy and Governance survey 2021, <http://www.gazette.gc.ca/rp-pr/p1/2017/2017-05-27/html/reg1-eng.php>, <https://www.mfe.govt.nz/action-for-healthy-waterways>, <https://www.retsinformation.dk/eli/lt/2019/224>

Box 4.11. Germany's climate gender impact assessment tool

RIAs which include a gender perspective have the potential to allow law makers to assess gender-effects of climate policies and help to ensure that gender equality goals are considered in the development and implementation of climate policies.

The German Environment Agency developed a climate gender impact assessment tool that follows the common two-step methodology of impact assessments (relevance test and main assessment), but builds upon six gender-related dimensions that reflect diverse areas of life where gender inequality is (re)produced, such as care work, labour economy and public resources.

Rooted in “empirical findings from gender-reflective research on climate change”, the gender dimensions help identify and analyse gender-unequal effects in climate policies. The tool also incorporates an intersectional approach to take into account the interplay between gender or sex and other factors of inequality and marginalisation.

Source: (Sauer, 2018^[98]; OECD, 2021^[66])

4.4.2. Enablers for decision making

The public sector makes decisions that affect climate objectives on a regular basis at many different levels, from laws adopted by parliaments and long-term strategies announced by governments to decisions for new bicycle lanes or tendering for school meals in individual municipalities. Controlling or even tracking all of these is not realistic, but governments set the overall objectives and incentives to move in the desired direction.

Planning and decision making

Medium-term policy planning can help align short-term and long-term priorities and ensure that future environmental developments and targets shape present-day actions. OECD countries have different approaches to medium-term policy planning, often including many sector-specific strategies driven by the objectives and interests of individual policy areas, such as transport, education or energy. Few governments have cross-cutting strategies on competitiveness or sustainable development for varying timeframes. Only in recent years have climate objectives become prominent in such planning documents and countries put in place procedures that allow for a dedicated climate check on new policy plans. Austria, for instance, has developed a Strategy 2050, through which “legal projects at the federal and provincial level are to be subject to a mandatory climate review in order to prevent undesired adverse effects on the climate”. While there is no “one-size-fits-all” approach to strategic planning, several strategies can be useful to consider and embed as part of a government’s overall governing approach. Strategic planning needs to be complemented by other practices to ensure an effective decision-making process during the design and implementation phase.

Governments’ climate and environmental strategic objectives can inform budgetary and fiscal planning. For instance, as a first step for credible green budgeting, a country should set out its national plans and strategies relating to climate change and the environment. These can help orient fiscal planning, guide public policy development, investment and other decisions on revenue and expenditure to support of green priorities (see section on Moving decisively to “green budgeting”).

Longer-term perspectives need to guide medium-term planning and short-term policy development. For instance, choices made on infrastructure systems and public expenditures in the next decade will be critical for achieving global and national climate goals such as net zero carbon emissions or halting the dramatic

loss in biodiversity. Around 70% of GHG emissions are due to existing infrastructure such as power plants, buildings, and transport.

The magnitude and urgency of the climate change challenge require a more holistic and systemic public governance approach to medium-term planning. Incorporating *ex ante* climate impact assessments in strategic planning initiatives, or sustainability and resilience considerations in infrastructures planning and delivery, enables governments to better take into account climate change and exposure to shocks.

Mobilising the whole of government

Setting the overall direction and priorities, ensuring coherent decisions on trade-offs, and establishing co-ordinated and coherent approaches across sectors and multiple levels of government on a challenge that involves everyone is not straightforward. Indeed, effective cross-government co-ordination on climate change has been elusive to most governments for a number of years. Complex challenges such as climate change and the current COVID-19 pandemic are pushing governments to pull public institutions out of their silos to ensure a coherent and co-ordinated approach.

Existing governance processes and institutional arrangements in most countries are not ideally suited to address climate change. The issues governments need to manage have become more complex and transversal over time. Today, governments are increasingly organising the machinery of government to achieve climate-related objectives. Preliminary OECD evidence sheds light on the trends and patterns surrounding decision making to address climate change. It also provides an overview of the mechanisms in place to steer the overall strategy for climate change action; co-ordinate those actions horizontally across central institutions; and fulfil international commitments with respect to monitoring, reporting and verification (MRV) (OECD, forthcoming^[31]). When it comes to co-ordination of climate action and climate policy, four broad types of institutional arrangements can be distinguished:

- A lead unit situated at the centre of government as the primary body tasked with co-ordination;
- Appointment of special advisors to co-ordinate climate action across government. For instance, Kenya's Climate Change Act 2016 appoints a senior official to co-ordinate the mainstreaming of climate change into sectoral strategies (Government of Kenya, 2016^[99]);
- Permanent intergovernmental committees or commissions. For instance, in the United States a National Climate Task Force bringing together 21 public bodies facilitates the deployment of a "government-wide approach to combat the climate crisis" (Government of the United States, 2021^[100]); and
- Climate "focal points" within line ministries and government agencies to address gaps in interagency co-ordination for climate change.

Government co-ordinating bodies – and those situated at the centre of government in particular – have a number of tools at their disposal to ensure both greater coherence across policy development and the mainstreaming of environmental issues in sectoral policies:

- They can lead the development and monitoring of overarching national strategies and plans to meeting climate and environment commitments, as outlined in Key Area 2 section on Strategic Planning.
- They can facilitate dialogue among key stakeholders, for instance by organising cross-government policy co-ordination groups or committees at the ministerial, state secretary or director level (OECD, 2018^[101]). For instance, the National Climate Change Secretariat in Singapore established within the Prime Minister's Office (PMO) to develop and implement Singapore's climate change policies also acts as the secretariat for the Interministerial Committee on Climate change.⁷ Likewise, in France, the *Secrétariat Général du Gouvernement* within the PMO supports the organisation and preparation of the Conseil de Défense Écologique (Ecological Defence Council) chaired by the President and bringing together relevant ministries and public bodies involved in the green transition.⁸

- They can provide a clear framework for the *ex ante* evaluation of climate-related bills. In France, the *Haut Conseil pour le Climat* [recommended](#) a series of steps prior to a bill's presentation to parliament: first, a public consultation of stakeholders to determine whether the bill requires further assessment; second, a detailed impact study relating to the low-carbon national strategy (*stratégie nationale bas-carbone*) when provisions may have a significant impact on climate objectives; and, third, an opinion on the quality of this study, issued by an independent authority.
- They can host a suitable knowledge management infrastructure to level the playing field across sectors and provide a common source of evidence. In Germany, for example, the [Advisory Council on Global Change](#) provides guidance to decision makers (despite existing uncertainties), assessing risks, identifying precautionary options and raising awareness to push for action.

Policy makers and regulators should also proactively consider how to strategically increase interactions among public sector institutions in order to co-ordinate and harmonise climate-relevant actions across sectors and borders. Some policy makers and economic regulators have already identified synergies among sectors that can be captured through sector coupling, as well as co-benefits to decarbonisation that extend beyond the sector in question (such as the improvement in air quality that accompanies climate mitigation efforts). Some regulators have also looked beyond national borders to benefit from cross-border co-operation. This is the case in Europe, for example, through the Body of European Regulators for Electronic Communications (BEREC) working groups focusing on promoting sustainability among European e-communications regulators. Further examples of this kind of cross-sectoral co-ordination and collaboration may be helpful in further strengthening such practices.

Tackling climate change also requires local actions and policies that align with national and global objectives and policy frameworks (OECD, 2021^[102]). Subnational governments have responsibilities in several areas that have an impact on economic development and are relevant for climate policy (Matsumoto et al., 2019^[103]). In particular, subnational governments play an important role in the three pillars of climate mitigation action – energy, land use, urban policy. Indeed, these pillars lie at the heart of regional development. Subnational governments are responsible for sectors crucial for climate action, including buildings and parts of transportation, other local infrastructure and waste management. In 2019, subnational governments accounted for 63% of public climate-significant expenditure, and 69% of public climate-significant investment, in 33 OECD and EU countries, on average (OECD, 2022^[104]). Many decisions taken by local authorities have effects on GHG emissions, including local regulation on transport, building construction mandates, spatial planning and economic policies. Local and regional governments also play an essential role in supporting the most vulnerable populations, as they understand local issues. They facilitate co-ordination between the national and local levels, as well as co-operation among local authorities. Furthermore, cities and regions can often be role models that can set examples in emission reduction, in that they can act as laboratories where climate actions are tested out before being scaled up on a national level. The OECD Principles on Urban Policies and its accompanying Implementation Toolkit includes the principle of environmental sustainability and seeks to support national and subnational governments in making cities fit to face current and future climate shocks (OECD, 2022^[105]).

The net zero transition requires integrating subnational governments into climate policy governance and addressing co-ordinating and financing challenges to achieve this. Meeting net zero targets requires an integrated approach that promotes horizontal and vertical policy co-ordination (OECD, 2021^[102]). Countries are taking steps in this direction, for instance, setting up platforms to co-ordinate national, regional and local transport and land development policies to achieve climate-neutral transport, and to enable knowledge-sharing among different levels of government. While subnational governments already have some green budgeting tools at their disposal to prioritise their low-carbon investments, additional financial resources are needed to allow subnational governments to effectively redirect expenditure towards climate-neutral assets and scale up investment. The 2014 *OECD Recommendation on Effective Public Investment Across Levels of Government* sets out principles to help governments assess the strengths

and weaknesses of their public investment capacity and set priorities for improvement, including on climate and environmental goals.

Given the scale of the challenge, greater analysis of how more effective cross-government co-ordination for climate change can be delivered may be required.

Enabling institutions to promote environmental action and mainstreaming “green ethos” in the public service

Network regulators – in areas such as energy, transport, water and e-communications – are central to countries’ efforts to reduce emissions. Ensuring that these institutions have the right mandates, funding, tools and governance arrangements will be critical to the achievement of environmental goals. More broadly, the public sector also needs to ensure that its workforce is appropriately equipped to address the climate challenge.

Economic regulators of network sectors affect a vast swath of the world’s population – virtually everyone uses services regulated by economic regulators. Network sectors also tend to be highly resource intensive. Economic regulation is one lever for promoting the greening of these sectors, within the policy framework governing economic regulators. This means ensuring these regulators have the right legal framework (remit, mandate, powers and levers). There are a number of challenges in this area that governments could seek to address:

- **Mandate** – The traditional mandate of many economic regulators includes ensuring markets run efficiently, ensuring consumers have access to good-quality services, upholding competition and creating a level playing field for market actors. However, many regulators lack a sustainability mandate, adequate frameworks to encourage innovation, or other aspects of the policy framework that would enable them to address climate change. For example, a 2020 analysis of the efforts of regulators (including economic regulators) to anticipate and react to emerging technologies noted that regulators’ mandates and functions were often misaligned with the demands of regulating innovation (OECD, 2020_[106]). Consideration of such mandates should also apply to regulators not traditionally associated with climate efforts, such as e-communications – emissions are not just an “energy problem”.
- **Investment** – Economic regulators carry out a range of functions that influence investment (OECD, 2017_[107]), including setting rules and incentives to finance infrastructure investment in line with climate goals. However, the regulatory framework does not always allow regulators to take account of externalities such as emissions when making decisions on infrastructure. At the same time, it is important that the regulatory framework continues to encourage efficiency and distribute costs fairly. For example, the electricity and gas regulator in the United Kingdom, Ofgem, makes special funding available for investments that support the UK’s net zero target (Université Paris Dauphine-PSL, 2021_[108]). Similarly, the Water Industry Commission for Scotland maintains a separate pool of finance for investments that are higher in cost but also higher in value on a lifecycle basis, taking into account externalities such as emissions (WICS, 2020_[109]) (Box 4.12). The OECD Recommendation on the Governance of Infrastructure recognises the need to “promote a coherent, predictable and efficient regulatory framework” as a prerequisite for delivering quality and sustainable infrastructure (OECD, 2020_[74]).
- **Tariffs** – Tariff setting is a tool available to many economic regulators. When considering how to regulate tariffs, regulators take into account a range of considerations, which may include social and environmental objectives. Principles of intergenerational equity suggest that current and future customers should shoulder a “fair share” of long-term investment needs. Where tariffs fund infrastructure investment, this raises questions about the design of price regulation. “Optimising” investment may involve investing in more expensive infrastructure today to benefit the customers of tomorrow – and adjusting tariffs accordingly – while still incentivising capital efficiency. In the

Scottish water sector, where tariffs in large part fund infrastructure investment in the sector, this issue was central during the regulator’s last pricing review (Box 4.12).

- **Innovation** – The regulatory framework for economic regulators should encourage innovative technology and business models that can support policy goals such as reducing emissions. Some regulators have already enabled experimentation by supporting or implementing trials, regulatory “sandboxes”, pilot projects, and pilot regulations. For example, Ofgem has allocated special funding for trials on hydrogen gas networks in line with emission reduction goals (Université Paris Dauphine-PSL, 2021^[108]).
- **Targeting operators and consumer behaviour** – Economic regulators can also be empowered to set targets or requirements for businesses to assess and act upon sustainability or resilience, including through licensing, codes and standards. For example, the Brazilian electricity regulator requires an annual social and environmental responsibility report from concessionaires, permit holders and authorisation holders operating in generation, transmission and distribution (OECD, 2021^[110]). In addition, economic regulators may play a role in incentivising consumer behaviour in line with policy goals. The Colombian communications regulator, for example, now requires providers to make information available to consumers on their past consumption (OECD, 2017^[111]), a behavioural intervention that is commonly included in the suite of actions in the energy sector to optimise energy consumption (IEA, 2021^[112]).

Box 4.12. Strategic Review of Charges 21-27 by the Water Industry Commission of Scotland (WICS), United Kingdom

The Water Industry Commission for Scotland (WICS) engages in a price-setting process every six years within overarching principles and objectives set by the Scottish government. The Strategic Review of Charges for 2021-27 (SRC21) began in 2017 and sought to base SRC21 on a transparent and collaborative price review, taking into account the long-term challenges faced by the industry with respect to the need to transition to net zero emissions by 2040 and replace ageing infrastructure in a financially sustainable way. The final determination set the maximum charges allowing the state-owned service provider to deliver sufficient investment to meet several of these goals while maintaining expectations for service levels. SRC21 introduced a new regulatory framework designed to address these challenges, promoting open dialogue and seeking to establish an evidence base that underpinned the requirements. The previous focus on establishing a hard budget constraint as a way of ensuring efficient resource use over a defined regulatory period – while effective in the shorter term – had not created sufficient focus on the asset needs over the long term, including issues of intergenerational equity, and investment decision making on the basis of lowest immediate cash use.

SRC21 resulted in shifts to the regulatory framework that encourage a long-term perspective and allows for rolling investment decisions based on evidence-based priorities and value. Including a long-term strategic plan, the new regulatory framework represents a shift away from the previous rigid approach, which entailed the company and regulators agreeing *ex ante* on a list of necessary investment requirements. The new process supports decision making based on highest priority and highest value, rather than setting defined outputs and then seeking to deliver these at lowest short-term cost.

As part of the new regulatory framework for SRC21, the regulator worked jointly with water industry stakeholders throughout the process to ensure joint ownership of the approach, which focused on establishing the best outcomes for customers, communities and the environment.

Source: WICS (2020^[109]), 2021-27 Final Determination Strategic Review of Charges, Water Industry Commission for Scotland, <https://wics.scot/system/files/publications/2021-27%20Final%20Determination.pdf> (accessed on 28 September 2021)

More broadly, designing and implementing policies for government to lead and facilitate climate action will call upon the collective ideas and co-ordinated efforts of a skilled, knowledgeable and resilient public service workforce. The ambitious carbon-neutral targets of OECD countries require employees with a range of skills and competencies, working with leaders who set systematic goals and instil enabling attitudes, all within a system that fosters and encourages action and innovation.

Putting policies in place that have a direct impact on climate goals is one important way that the public service contributes to the green transition. The “value chain” of researching, designing and implementing sustainability policy requires a complex range of skills, competencies and expertise, such as subject-matter knowledge, data collection and analysis, communications and collaboration with outside groups, and change management. Building a green public service will require combining skillsets in new ways. For example, budgeting experts may need to develop literacy in environmental impact assessment, clerks will likely need digital skills to go paperless or work remotely, and procurement officers may strengthen their capacities to choose suppliers based not only on quality, reliability and price, but also on their sustainability practices.

Another, perhaps equally important, set of competencies to build into the public service revolves around awareness and consideration of the environmental impacts of all government policies and actions, not just those that target green initiatives. Mainstreaming “systematic thinking” and “transformative literacy” (Jacob et al., 2021^[113]) into all levels of the organisation is a long-term but highly effective strategy for tackling such broad challenges. If public employees consider themselves to be environmental stewards, they will consider the climate repercussions of not only their own actions, but of every policy and programme they help implement and of the organisations they are a part of.

Needed skillsets may be developed inside public service career paths, but many may also be found in job candidates outside of the public sector – especially for needs having to do with scientific or technical specialisation. This places a renewed onus not only on skill development and training, but on recruitment and partnership methods. Gaps or deficits in specialised knowledge can limit intuitive decision making based on expertise (Hanif, Ahsan and Wise, 2020^[114]); there is thus a need to meaningfully incorporate subject experts into the public service in both policy and leadership roles. Governments may need to draw on new recruitment sources and hire at different levels of seniority along career paths, to ensure that the public service has the necessary green capacity. They may also consider creating opportunities in the public service for collaborative partnerships with outside experts. Whether through recruitment and in-house specialisation, or partnerships and outsourcing, it is essential that governments find ways to access necessary expertise.

Leadership at the organisational and team level is also critical for achieving sustainability and green thinking at the organisational and employee level. “Green leaders” can demonstrate the prioritisation of climate policy, set concrete environmental objectives and expectations, build organisational capacity inside the workforce and encourage widespread adoption of sustainable practices and thinking. They can also involve and collaborate with outside stakeholders and communities. “Mapping the system” to identify ways to co-operate with other relevant bodies is an especially important leadership capability in this regard (Gerson, 2020^[115]). The senior level public service is therefore an essential player in the green transition, successfully implementing climate policies and playing a key role not only in policy design, but also in planning and organising collective extra-governmental efforts. Public service leaders can also guide their departments through periods of change, and create training and development systems that maintain the skills of the workforce as well as reward the type of innovative thinking required to solve complex climate issues.

There are several areas of action for governments to consider in creating a more green public service:

- In order to embed sustainability as a core competency for all public servants in policy and service design roles, **environmental assessments** can be built into the approval process for every new policy or programme (even those that are not directly related to sustainability).
- Conduct **green skills analysis** to identify existing gaps as well as skills that will be needed in the future. Put in place training, development and recruitment programmes to address these needs.
- Consider leadership through a sustainability lens. **Green leadership** is an essential component of building environmental stewardship into an organisation.
- Take action where possible to implement **new ways of working** that reduce the footprint of the public service itself. Flexibility to telework and conducting more long-distance meetings virtually reduces the use of resources and the need to commute.

Systematising innovative governance approaches

Mission-oriented innovation has become one of the most significant vehicles for tackling the “wicked” challenges facing governments today, including achieving ambitious climate goals in the coming decades. Mission-oriented innovation tackles complex challenges such as the global green transition by taking a purpose-oriented, market-shaping approach: the public sector takes an active role in convening and co-ordinating actors and resources around the complex, cross-sectoral, and cross-national issues that cannot be solved by individual actors alone. These measures may span different stages of the innovation cycle, from research to market deployment, mix supply and demand instruments, and cut across various policy fields, sectors and disciplines” (Larrue, 2021^[116]). While there are examples of mission-oriented innovation in fields as varied as health and digitalisation, it is gaining particular traction as an approach for addressing climate change challenges. The European Commission has adopted the mission-oriented innovation framework, with four of the five declared mission areas connected to climate-related issues (namely: Adaptation to Climate Change including Societal Transformation; Healthy Oceans, Seas, Coastal and inland Waters; Climate-Neutral and Smart Cities; Soil health and Food). The Innovation Fund Denmark has launched a funding call for mission-driven green research and innovation to co-ordinate and govern the diversity of policy measures, partnerships, and solutions required to tackle climate change issues.

One approach of growing interest in support of climate policy is the adoption of more forward-looking governance mechanisms. Governments need to be constantly perceiving, understanding, and acting upon the future as it emerges in the present; this practice is known as **strategic foresight** (Tönurist and Hanson, 2020^[117]; OPSI, 2021^[118]). This can enable discussions in public sectors about how to make alternative “greener” futures actionable today. It helps governments make more robust decisions by considering a range of developments, keeping an eye on signals of change, and improving their awareness and understanding of the future. By doing so, governments can build in contingency and preparedness planning across environmental systems and improve its overall resilience to unexpected developments. Integrating these broader and more systemic perspectives into strategic planning and decision making is referred to as anticipatory governance, and it can allow for more effective policy planning without creating rigidity and path dependency (Box 4.13).

Box 4.13. Examples of anticipatory governance approaches to inform climate and environmental policies

Governments worldwide are using foresight and anticipatory approaches to inform discussion and development of policies in response to numerous issues, including climate change and biodiversity loss.

Through its new function in inter-institutional relations and foresight, the European Commission is building awareness of the significance of environmental megatrends in every domain of public governance. Uses of strategic foresight in environmental policy are underway in the European Environment Agency, Germany (Federal Ministry for the Environment) Ireland (Department of the Environment, Climate and Communications), the Netherlands (Environmental Assessment Agency), and the UK (Department for Environment, Food, and Rural Affairs), among others. Yet, an important impact gap remains between foresight and action. Too often, the outcomes of foresight work are too intangible, indirect or separated from decision making to have an impact. As part of its Horizontal Project on Climate and Economic Resilience, the OECD is developing a toolkit to support countries in developing more future-ready net-zero transition plans. OECD's work on anticipatory governance is working to close this gap by considering the structures and processes that need to shift across governance functions in order to embrace anticipation and foresight. For example, through pioneering approaches in anticipatory prototyping in the public sector in Slovenia, the OECD is catalysing the development of concrete initiatives (OPSI, 2021^[119]).

The use of **behavioural insights** (BI) can also help governments ensure the effectiveness of green policies through “human-oriented” approaches that consider behavioural barriers and biases in all the stages of policy making. To meet the climate change challenge, governments should encourage the adoption of more sustainable behaviours among individuals, communities, corporations and policy makers themselves. Some of the most successful BI interventions changed contexts to encourage green routines [see OECD (2017^[120]); (2017^[121]) and (2019^[122])]. BI can help policy makers take a behaviourally informed approach to promoting sustainable and green policies (Box 4.14).

Box 4.14. Using behavioural insights to better design and implement green policies

BI can be used together with traditional policy-making tools to improve outcomes for all types of policies seeking to promote green outcomes by:

- taking into account how people are likely to respond to specific policy measures and green reforms;
- providing a more comprehensive evidence base for green policy proposals;
- using BI models when assessing the impact of green policy; and
- anticipating implementation and evaluation issues of green reforms.

There is scope for enhancing reliance on BI to make green policies more effective and efficient. For this, policy makers could:

- Consider behaviours early in the policy process while policies are being designed, laws and regulations are being drafted, and stakeholders are being consulted. Taking BI into consideration in policy and programme design means, for example, considering how timing, presentation, labelling and incentives – financial or non-financial – affect the success of policy measures.

- Incorporate behaviourally informed policy solutions that go beyond simple “nudges” to encourage sustainable outcomes. This includes encouraging compliance through regulatory delivery and improving the evaluation of past policy decisions by including an evaluation of potential undiagnosed or unintended behavioural barriers and biases in *ex post* reviews.
- Deploy BI strategically to improve the acceptability of green reforms. Behavioural economics shows that we tend to prefer immediate rewards over future gains. The time lapse between the benefits of environmental policies (e.g. reduced CO2 emissions) and more immediate behaviours (e.g. reducing meat consumption) leads us to what is known as temporal discounting. Understanding these psychological underpinnings can help policy makers better evaluate the extent to which citizens will accept, engage with, and comply with green reforms. Canada provides a good example of how governments can use BI experimentation to promote the acceptability and uptake of green policies (Box 4.15).
- Apply lessons learned from BI to policy makers. Government is created and run by humans who can experience the same barriers and biases as individuals in society, including availability bias, friction costs, present bias, scarcity, risk aversion and action-intention gaps. The OECD has begun mapping the possible behavioural challenges faced by regulatory policy makers from a regulatory governance perspective, which includes an evaluation of challenges and opportunities for the institutions, processes and tools used to make regulatory policy decisions (see (Drummond, Shephard and Trnka, 2021^[123])).

Box 4.15. Behavioural insights and citizens’ engagement with green policies – the experience from Canada’s PARCA Survey

BI experimentation is enabling governments to broaden policy makers’ knowledge of citizens’ acceptance and engagement with green policies, equip decision makers to evaluate and assess the effectiveness of active or proposed green policies, and provide empirical evidence to better anticipate and prepare for future challenges surrounding climate change.

Recognising the impact that BI has in contributing to policy design and implementation, the Canadian Privy Council’s Impact and Innovation Unit (IIU) launched a longitudinal survey that uses BI to measure and promote acceptability and uptake in climate action and green policies among Canadians.

The survey draws insights from a nationally representative sample of Canadians to test:

- Canadians’ knowledge, attitudes, and perception of climate change;
- Canadians’ self-reported intentions and willingness to engage in green or environmentally sustainable behaviours;
- Predictors for support of green or sustainable policies; and
- Behavioural segmentation towards climate change within the population.

The survey is part of the Program of Applied Research on Climate Change in Canada (PARCA Canada) and carried out in partnership with Environment and Climate Change Canada (ECCC) and Natural Resources Canada (NRCan).

The results of will contribute knowledge on the behavioural barriers and enablers that affect green action and policies targeting climate change.

Source: [Program of Applied Research on Climate Action in Canada \(PARCA\) | Impact Canada](#)

Risk governance: building capacities to anticipate and prioritise climate-related risks and coordinate whole-of-society preparedness

The impacts of climate change are already apparent in more frequent and intense weather-related disasters, and the risk of extreme events is set to increase. High temperatures and low precipitation were key factors behind extreme forest fire seasons across North America, Europe and Australia in 2019-2020. In Europe, the occurrence of forest fires is not only a risk in summer. In 2020, winter forest fires burned from the Pyrenees in France to the Danube Delta in Romania, and together, with spring fires, are increasing the total burnt area in Europe to above regional average in the previous decade (San-Miguel-Ayanz et al., 2021^[124]). In 2021, severe floods affected Japan, Belgium, Luxembourg, the Netherlands and, in some cases resulting in a record number of lives lost and damages to critical infrastructure (Copernicus Emergency Management Service, 2021^[125]; Government of Japan - Cabinet Office, 2022^[126]).

Incorporating climate change into national risk assessments (NRA) can foster shared risk ownership across the whole of government and wider society. Most OECD countries have not integrated longer-term climate change risk assessments into their NRA (OECD, 2018^[127]). The use of such risk governance tools is an opportunity to capitalise on the heightened awareness of critical risks that the COVID-19 pandemic has produced. The *OECD Recommendation on the Governance of Critical Risks* calls on countries to use national risk assessments to achieve a common understanding of risks and risk ownership across government ministries, local and regional authorities, and the wider society in the short, medium and longer term. Improved risk communication on longer-term climate change risk assessments can also help encourage communities and the private sector to invest in resilience measures, prepare for future shocks, and identify opportunities that changes in climate may provide.

The COVID-19 pandemic and other recent crises revealed gaps in preparedness for critical risks that can be addressed as part of a green recovery that builds a resilient society. The *OECD Recommendation on the Governance of Critical Risks* provides a standard for addressing important lessons from the COVID-19 experience, with well-developed plans, capabilities and flexible crisis management structures that can adapt and respond to the unexpected:

- Principle 2 of the Recommendation calls on countries to build preparedness through foresight-informed risk assessments to better anticipate complex and wide-ranging impacts. By improving their understanding of climate change-related risks as part of a holistic risk governance approach, governments will be able to drive positive change to mitigate emerging risks (both within and across national boundaries), as well as how to prioritise them vis-à-vis other critical risks. Assessing the cascading effects of climate change on other major risks to society will improve the understanding of the wide range of impacts governments should prepare for. An example of this is the most recent National Disaster Risk Assessment for Switzerland (Federal Office for Civil Protection FOCP, 2020^[128]).
- Principle 3 of the Recommendation encourages Members to raise awareness of critical risks to mobilise households, businesses and international stakeholders and foster investment in risk prevention and mitigation. By framing the actions citizens and businesses can take to improve their own resilience, governments can encourage those activities that enhance society's resilience to climate-related risks while transitioning to a carbon neutral economy.
- Principle 3 also encourages Members to develop their strategic planning in a way that strengthens the mix of structural protection and non-structural measures to reduce risks. By working with line ministries responsible for critical infrastructure, sector regulators, and infrastructure operators on how to exploit the synergies between decarbonisation and resilience to extreme weather events, governments can boost the resilience of both communities and critical infrastructure networks. For example, the resilience of the electricity supply could be improved by supporting community-level microgeneration using renewables.

The COVID-19 recovery provides an important opportunity for governments to invest in resilience, develop national resilience strategies and better prepare for future climate-related disasters. The *OECD Recommendation on the Governance of Critical Risks* highlights the importance of transparency and accountability in risk-related decisions, recommending continuous learning from shock events and applying this experience to policy reform. As many governments undertake evaluations, audits or reviews of their risk management strategies following the COVID-19 pandemic, a priority for governments should be more explicitly integrating adaptation to climate change and into the wider resilience narrative. Using COVID-19 recovery funding to incentivise climate resilience is another opportunity that should not be missed. Initiatives such as *NextGenerationEU* of the European Union or the *Build Back Better Framework* of the United States provide examples of forward-looking policy that place resilience at the centre of a green recovery.

4.5. Key area 3: Leading by example – A greener and more resilient public sector

Governments should demonstrate organisational leadership on promoting green change, taking assertive measures that convey how green action and climate adaptation is a shared responsibility – and one where government can play a major role. The public sector is a significant actor in every national economy, leaving behind an environmental footprint that needs to be understood and reduced over time. This section discusses how the public sector can demonstrate action to respond to environmental pressures and transform itself to face environmental challenges.

Leading by example requires governments to incorporate environmental considerations in their organisational arrangements around public employment, public services, and public real estate and assets. This forces governments to explore how they can harness their power as employer to create greener work arrangements and their role as service provider to promote green government operations and expand markets for green goods and services. Environmental pressures also push governments to rethink their role in supporting greater sustainability through improved infrastructure resilience, innovative uses of technology and data, dematerialised services, and more sustainable service models. To effectively act on these issues, governments will need to have detailed information on the environmental impacts of their work across agencies, levels of government and types of operations.

Climate change and other environmental pressures also force a transformation of the way the public sector goes about their day-to-day operations and activities. For public administrations, this means ensuring a more resilient public workforce and public services that can secure continuity of operations throughout the changes brought about by climate and other environmental and non-environmental threats. It also focuses additional attention on public real estate and assets, in particular the type of operations and maintenance needed to ensure green performance and climate resiliency of infrastructure.

Governments can also lead by example by imposing responsible supply chain requirements on their suppliers and encouraging supply chains to implement RBC standards if they want to conduct business with the public sector (see Key Area 2 section on Leveraging the public sector's purchasing power: green procurement). As a major buyer of goods, the public sector is well placed to influence practices across international supply chains, by requiring suppliers to comply with RBC considerations and recommendations. In this context, countries are gradually developing responsible public procurement frameworks that account for environmental considerations, also including for global supply chains (see Key Indicators - Figure 4.2, Panel E) (OECD, forthcoming^[86]).

Mindful of these considerations, some countries have already put in place whole-of-government strategies to make their operations greener and support the achievement of their domestic and international commitments on climate and environmental targets. For instance, Canada has put in place the Greening Government Strategy to support the governments' commitment for net zero emissions by 2050, including an interim target of a 40% emissions reduction by 2025 for federal facilities and conventional fleet

(Box 4.16). In the United States, the Federal Government is directed to align its management of federal procurement and real property with achieving a 100% clean energy economy by 2035 and net zero emissions no later than 2050 (Executive Office of the President, 2021^[129]).

Box 4.16. Canada's Greening Government Strategy

Canada's "Greening Government Strategy" calls on government to reduce greenhouse gas (GHG) emissions to the atmosphere, and increase the resilience of government assets, services and operations by adapting to the changing climate. The Canadian government plans to transition to net-zero carbon and climate-resilient operations, while also reducing environmental impacts beyond carbon, including on waste, water and biodiversity. The Centre for Greening Government (of the Treasury Board of Canada Secretariat) provides leadership toward net-zero, climate-resilient and green government operations.

To bring about these objectives, the Canadian government has committed to act on the following areas:

- **Mobility and fleets:** Adopting low-carbon mobility solutions, deploying supporting infrastructure in its facilities and modernising its fleets. For example, the government will facilitate opportunities for flexible work arrangements by enabling remote computing telecommunications and by supporting IT solutions.
- **Real property:** Maintaining a net-zero climate-resilient real property portfolio plan to determine the most cost-effective pathway to achieve net-zero, climate-resilient real property operations by 2050 (i.e. sharing facilities; maximising energy efficiency, and switching to lower carbon fuels, etc.). In addition, government will reduce its water consumption and its load on municipal systems, and reduce the environmental impact of waste. Finally, it will manage its property holdings to retain and restore biodiversity, mitigate and adapt to climate change by maintaining and restoring wild or near-wild areas that conserve healthy populations of native species.
- **Climate-resilient services and operations:** Minimising disruptions and damage to its assets, services and operations related to the impacts of climate change. Canada is set to increase training and support for public service employees on assessing climate change impacts, undertaking climate change risk assessments, and developing adaptation actions, and facilitating sharing of best practices and lessons learned.
- **Procurement of goods and services:** Supporting the transition to a net-zero, circular economy through green procurement that includes lifecycle assessment principles and the adoption of clean technologies alongside green products and services.
- **Policies:** Aligning relevant government operations policies to further incorporate greening and climate resilience, and including greening priorities into the responsibilities of senior officials who will ensure that climate issues are addressed comprehensively in planning and operations.

Oversight and performance measurement tools are in place to ensure accountability for the government's environmental performance following the principles of transparency and open data.

Source: <https://www.canada.ca/en/treasury-board-secretariat/services/innovation/greening-government/strategy.html>

Being the largest employer (and spender) in many OECD countries, "greening" public sector work practices can make an impact towards environmental goals and steer individual behaviours for green action. The public service can lead by example in implementing climate-friendly work arrangements and systems. A more permanent shift to teleworking, for example, can reduce emissions from commuting and travel, including to geographically centralised government hubs in capital cities with large emission footprints. As discussed earlier in this chapter, the same applies for equipment needs, including office furniture, supplies

and IT tools to perform public service mission see Key Area 2 section on Leveraging the public sector's purchasing power: green procurement). Digital service delivery can have a similar effect, enabling citizens to access public services or be involved in government programmes without the need for travel or for using paper.

At the same time, the potential of climate change and other environmental threats to affect and disrupt government services and operations requires strengthening the resilience of the public sector workforce. Lessons from governments' management of public servants in response to the COVID-19 pandemic can help identify opportunities for handling and harnessing change toward a more sustainable public workforce (OECD, 2020^[130]).

One additional way governments may lead by example is by acknowledging and integrating the gender-environment nexus into environmental action. This can involve making an effort to increase gender balance among staff in decision-making bodies in the public sector, helping bring to the forefront diverse experiences with the environment, and potentially advancing positive environmental outcomes. For example, evidence has shown that the presence of women in political decision making translates into more ambitious climate goals and policies (OECD, 2022^[131]; Mavisakalyan and Tarverdi, 2019^[132]). Similarly, a study examining European Parliament legislators found that while male and female legislators conveyed similar concern for environmental issues, female legislators were significantly more likely to support environmental legislation, even after controlling for nationality and political ideology (Ramstetter and Habersack, 2019^[133]).

4.5.1. Designing greener public services in the digital age

As governments rethink the design and delivery of public services in the digital age, they should consider environmental impacts and wider climate implications. OECD member countries increasingly recognise the use of digital technologies and data to fully transform citizens' experience with public services, rather than simply transferring analogue information and processes online (OECD, 2014^[134]; OECD, 2020^[135]).

Governments should balance the benefits of their digital transformation for citizens and businesses with preserving the environment by investing in sustainable and greener digital infrastructure. This requires a proper understanding of the environmental implications of public service design and delivery in the digital age, carefully looking at the types of digital technologies and the use of common infrastructure across government (e.g. data centres vs cloud services, computers and electronic devices), key technical specifications that may have an impact on countries' environmental footprint (e.g. electricity consumption, electronic waste, and manufacturing materials) as well as IT lifecycles. For example, with the growing attention and use of blockchain, governments should carefully assess the environmental footprint of such technologies against their promised benefits, and look at possible alternative solutions that do not compromise ongoing environmental policies (Lindman et al., 2020^[136]). Governments should also be mindful of rebound effects in their digitalisation efforts, where the potential improvements in resource efficiency can, in some cases, paradoxically lead to an overall net increase in resource use.

Governments have already started to pay attention to the impact of digital and data public infrastructure on the environment, however, these efforts need to be mainstreamed and scaled up. The OECD Good Practice Principles for Data Ethics in the Public Sector stress how "governments should take action to address the potential environmental impact of digital and data infrastructure. This includes, for instance, reducing their carbon footprint (e.g. avoiding the proliferation of unnecessary, redundant or overlapping data infrastructure such as data centres) and investing in clean and renewable energy infrastructure" (OECD, 2021^[137]). Also, the EU Berlin Declaration on Digital Government⁹ includes a principle on digital sustainability and calls for concrete actions to mitigate the climate impact of digital government. Similarly, Canada's Greening Government Strategy (Box 4.16) includes promoting sustainable procurement, greening IT strategies, and initiatives for an eco-friendly digitalisation of the public sector. In France, a dedicated inter-ministerial mission (Ministry of Ecological Transition and the Inter-ministerial Directorate

for Digital Affairs, DINUM) are implementing the cross-government initiative Green Tech to foster an eco-friendly digital transformation of the public sector (Box 4.17).

OECD countries are increasingly focusing on understanding digital and data infrastructure from a green perspective. This requires adopting a strategic approach to governing digital infrastructure in line with broader environmental policies and establishing the governance mechanisms to align digital government and climate change actions. For this, further policy alignment and co-ordination between digital government and environmental authorities is needed to identify synergies and mobilise resources, as well as other policy areas with a significant impact in allocating resources and acquiring digital infrastructure, such as public budgeting and procurement organisations.

Under such a strategic approach and given the cost and lifespan of digital technologies, reducing digital government footprint requires planning, selecting and prioritising investments in eco-friendly digital technologies. From a public governance perspective, this entails incorporating environmental variables when planning digital government projects and establishing their value proposition (business cases) in order to prioritise sustainable digital infrastructure, promote circular economy and refurbished technology, as well as to reduce IT waste across the public sector.

There is also scope to improve how governments reflect on understanding the environmental implications of public service design and delivery in the digital age. For instance, governments could ensure that 'Service Standards', the principles against which the quality of public services is judged, include a green element. This is already the case for a number of public policy priorities (e.g. inclusiveness, openness, security, privacy and reliability); adding a green dimension to these quality standards would enable governments to identify where to focus their efforts for a greener digital transition.

Box 4.17. France's Green Tech Initiative

Acknowledging the growing impact of information and digital technologies on carbon emissions, in May 2020, France established the **Green Tech** initiative, which seeks to increase the awareness of and reduce the environmental footprint of digital technologies when delivering public sector operations and services. Created under the responsibility of the Inter-ministerial mission to reduce digital environmental impact, which includes the Ministry of Ecological Transition and the Inter-ministerial Directorate for Digital Affairs (DINUM), the initiative looks at achieving eco-responsible public services in the digital age through 20 actions to adapt government operations to the environmental needs of the future, as well as specific provisions on the environmental consequences of digital technologies in the public sector.

The initiative includes a strategic roadmap with specific goals and activities around three areas:

- **Develop awareness of the digital environmental footprint in the public sector**, including measurement frameworks and data collection;
- **Reduce the environmental footprint of digital technology in the public sector**, for example through responsible digital procurement, eco-design of digital services; and increased awareness, support, training in responsible digital actions and uses;
- **Use digital technology to help achieve ecological and solidarity goals**, promoting electrical and electronic equipment waste management and circular economy

Currently, *Green Tech* is piloting the environmental impact of initiatives within the TECH.GOUV Digital Strategy. Complementary resources are being developed to support its implementation, including:

- [Framework and guidance to support eco-design of digital services](#)
- [Digital toolkit to help civil servants identify green consideration in digital government](#)

- [Practical guide to implement sustainable digital procurement](#)
- Streamlining the MAREVA2 project evaluation method with a "responsible digital" component (in progress).
- Dissemination and adaptation of the methodology for calculating the environmental footprint of digital technology (in progress)

Source: <https://ecoresponsable.numerique.gouv.fr/>

4.5.2. Keeping track of the environmental footprint of government operations

Governments are only starting to collect data about the environmental implications of their ecological footprint. Individual public agencies have targets for the use of energy, water, paper, etc., but the ability to track overall carbon emissions or other environmental hazards is not widely established. Publicly available data on key indicators, such as carbon emissions, to compare regional authorities, municipalities and government agencies (both with each other and over time) will help focus the attention of decision makers and the wider public. The greater use of cloud computing or technology could help public sector organisations combine resources, reduce duplication and better collaborate to tackle the cost and environmental impact of providing public services (for instance from energy consumption or electrical waste). This could include, for example, reusing back-end systems rather than buying or developing new ones, consolidating hosting through shared platform solutions to achieve economies of scale, or creating shared services to ensure an optimal use of public sector assets.

Delivering greener public services also entails checking that public services actually help achieve climate and environmental objectives. Performance indicators and incentives to do so include monitoring emissions or solid waste management (e.g. recycling), as well as other forms of pollution or environmental degradation relevant to national and international environmental commitments. Countries looking at reducing their environmental footprint need to measure and understand the impact of public sector operations on the environment from education to defence, and have incentives in place for greening public services across levels of government. Governments have well-established systems to produce the annual financial statements and financial reports; they may want to consider publishing annual reports and balance sheets that disclose environmental footprints of public sector operations.

4.6. Conclusions

The evidence examined in this chapter demonstrates that the futures of democratic governance and effective environmental action are intertwined. Democratic governments are increasingly expected to show that they are the best placed to handle environmental pressures, especially the existential climate threat, while the success of climate and environmental policies simultaneously depend on effective and efficient public governance. Greater efforts are needed in governments' capacities to steer and build consensus and trust on the green agenda, transform public governance tools for climate and environmental action, and lead by example through a greener and more resilient public sector. Building on existing good practices, an OECD Action Plan has been developed, with concrete actions countries can take to address the issues outlined in this chapter with reforms that are ambitious and impactful: www.oecd.org/governance/reinforcing-democracy/.

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Notes

¹ This value varies across population groups; 41% of world young people aged between 15 and 39 years old think climate change is the top most concerning global issue compared to 16% for those 55 or over.

² <https://www.pactec climat.lu/fr/acteur-engage>

³ See for instance the Open Data Charter’s Open Up Climate Data guide: Using Open Data to Advance Climate Action at: <https://open-data-charter.gitbook.io/open-up-guide-using-open-data-to-advance-climate-a/>

⁴ <https://www.oecd.org/climate-action/ipac/dashboard>

⁵ See [EEA greenhouse gases - data viewer — European Environment Agency \(europa.eu\)](https://www.eea.europa.eu/en/data-viewers/greenhouse-gases)

⁶ The Blue Dot Network initiative, building on the G20 Principles for Quality Infrastructure Investment, proposes a common standard of project excellence to attract private capital to infrastructure projects in developing and emerging economies.

⁷ See <https://www.nccs.gov.sg/who-we-are/inter-ministerial-committee-on-climate-change/#:~:text=The%20Inter%20Ministerial%20Committee%20on,the%20impacts%20of%20climate%20change>

⁸ Décret n° 2019-449 of 15 May 2019 on the Ecological Defence Council ([legifrance.gouv.fr](https://www.legifrance.gouv.fr))

⁹ <https://digital-strategy.ec.europa.eu/en/news/berlin-declaration-digital-society-and-value-based-digital-government>

5 Transforming public governance for digital democracy

Digitalisation has opened new channels for citizen empowerment, political participation, and government transparency, enhancing people's civil liberties and political rights. At the same time, it has brought new risks to the effective exercise of civil liberties and political rights. This chapter looks at the role of public governance institutions in enabling and enhancing digital democracy, while mitigating the risks of digitalisation to democracy. In particular, it discusses how to safeguard the integrity of elections and protect the democratic debate, foster citizen participation in the digital age, promote government transparency and accountability in the digital era, and adapting institutions and legal frameworks for digital democracy.

5.1. Introduction: Getting the Future Right

The rapid digitalisation of societies, economies and governments is changing and challenging the traditional institutional mechanisms supporting the functioning of democracies. Digital technology is a fundamental driver of change in this century. It is reshaping all parts of society, including economies and governments, and impacting almost every aspect of people's lives. The way the digital transformation has proceeded has provided new opportunities to empower citizens but is also increasingly eroding traditional intermediation and the respect of human and civic rights and affecting polarisation significantly. Concerns about 'digital democracy' have emerged in recent years, with Governments being seen as slow in responding to these challenges. Developed for the analogue world where change is less rapid, institutional change regarding the democratic functioning of government also carries a fundamental weight for the future of societies and cannot be expected to take place as fast as digitalisation is proceeding. Nevertheless, low levels of trust and the many signs of citizens' disaffection in the way democracies are currently functioning require better leveraging the large potential of digitalisation for democracies while addressing the many challenges it has created.

The concept of digital democracy is still lacking a clear academic or political definition. In this paper, digital democracy refers to the functioning of democracy in the digital era and "how the use of digital technologies may influence the conditions, institutions and practices of political engagement and democratic governance" (Berg and Hofmann, 2021^[1]; Daly, 2019^[2]; Bermeo, 2016^[3]).

From one perspective, digitalisation has opened new channels for citizen empowerment, political participation, and government transparency, enhancing people's civil liberties and political rights. It provides immense opportunities to make democracy work better bringing government institutions closer to people and centred on their needs while enabling new modalities and channels of citizen participation in public policy and democratic political life. It has also promoted transparency and openness in government practices and strengthened the accountability and oversight over public institutions. In particular, by opening government data and enabling its reuse, the "data revolution" (UN, 2014^[4]) has boosted transparency in government, enabled greater responsiveness, and increased accountability through new analytics tools (OECD, 2020^[5]; OECD, 2018^[6]). Giving its cross-border nature, digitalisation also has important global dimensions affecting international relations and the conduct of diplomacy, with the emergence of digital foreign policies.

From another perspective, digitalisation has also brought new risks to the effective exercise of civil liberties and political rights, destabilised information ecosystems and democratic debate, further exacerbating the polarisation of societies, and increased the possibilities of (domestic and foreign) undue influence in open democratic processes. How democracy is exercised in the digital era is also affected by the degree of digital inclusion and the ability of all, including vulnerable groups, to participate in democratic processes. While progress has been made to expand connectivity, digital inequalities within and between countries remain. OECD countries show progress with 70% to 95% of adults using the Internet and smartphones becoming the favoured device for Internet access by 2019 (OECD, 2020^[7]). Additionally, fixed broadband penetration (32.5 subscribers per 100 inhabitants in OECD countries) was more than twice the world's average (14.9 per 100) by June 2020 (OECD, 2021^[8]). However, in many countries, digital exclusion affects the quality of democracy, limiting people's capacity to use the digital space as a tool for citizen empowerment. Around the world, 2.9 billion individuals, mostly women and girls, are missing out on the benefits of digital transformation to participate in democratic processes and voice their expectations about public services (ITU, 2021^[9]). In authoritarian regimes, these risks are exacerbated with the abuse and misuse of new technologies as a tool for repression to control people, suppress rights, stifle dissent, and, increasingly, undermine democracies abroad.

We are at a critical juncture for defining the digital future we want. The fundamental challenge, is defending digital democracy and ensuring a rights-based future, building a trust-based digital society and a value-based digital government. Governments in democratic societies are ultimately responsible for advancing the common interest and maintaining the legal, regulatory, and institutional frameworks and safeguards guaranteeing the respect of civil and political rights essential to the functioning of democracies. Individual parts of government should ensure this on a continuous basis as they develop policy and draft legislation. This includes considerations of where the legal and institutional frameworks may need to be adapted, revised, or replaced to respond to a rapidly changing context, along with the regulatory enforcement capacity.

The governments of OECD countries are increasingly taking steps to ensure a rights-based approach to digital transformation that is aligned with democratic principles and values and protects individual and collective rights. The work on these rights is currently being carried out at the OECD under the purview of the OECD Committee on Digital Economy Policy (CDEP). This debate typically emphasises the role of companies, governments, and regulators in upholding existing rights in the digital space and considering new rights for the digital era (or “digital-only rights”).

This chapter essentially looks at the role of public governance institutions in enabling and enhancing digital democracy, while mitigating the risks of digitalisation to democracy. It reviews how digital tools and innovations positively and negatively affect the public governance mechanisms that underpin the functioning of advanced democracies. It takes stock of existing and emerging initiatives, and adjustments to regulatory frameworks, standards, and institutional mechanisms that governments are putting in place to strengthen the resilience of our democratic systems and values, and to better protect and promote democracy in the digital age. This chapter focuses on a subset of rights that underpin the functioning of democracy and are critical to its vibrancy in the digital era, namely civil and political rights, individual and collective.¹ As work in progress, it provides an initial perspective on the state of play and issues at hand, complementing the rest of the analysis of the OECD Reinforcing Democracy Initiative on Pillar 1 on Public Governance for Combating Mis and Dis-information (Chapter 1), Pillar 2 on Enhancing participation, representation and openness (Chapter 2) and Pillar 3 on Embracing the Global Responsibilities of Governments and Building Resilience to Foreign Influence (Chapter 3).

This chapter is the OECD’s first attempt to look at the challenges of digitalisation to democracy from a public governance perspective. Section 5.2 addresses the impact of digitalisation of core electoral processes and the democratic debate; Section 5.3 discusses the transformation of citizen participation in the digital era; Section 5.4 analyses how digital democracy is enabling more openness, transparency, and accountability in government; while Section 5.5 reviews the refitting of public governance institutions for digital democracy, including the need for greater global co-operation and multilateral approaches.

5.2. Safeguarding the integrity of elections and protecting the democratic debate

Participation in elections is an important aspect of participation in public life. Free and fair elections form the very foundations of democracy and their underlying processes are increasingly digitalised. These encompass both the electoral administration and the electoral process itself - from voter registration, vote casting, and vote counting, through to civic education and engagement, political advertising and campaign financing during electoral campaigns. Provided the right safeguards are in place, the use of digital technologies and data in the electoral process can bring important benefits to enlarge participation, including higher voter turnout, greater inclusion of disadvantaged groups, as well as greater efficiency and reliability of the electoral process. Electoral Management Bodies (EMBs) thus need to develop an adequate regulatory framework for digital technologies used throughout the electoral cycle and upgrade their own digital capabilities to manage electoral administration and oversee the digitalisation of the electoral process

to ensure that the right safeguards are in place, in terms of cybersecurity, identify theft, and voter manipulation (Driza Maurer, 2020^[10]).

More broadly, the democratic political debate, that is the way in which people form and express their political opinion, is also undergoing a major transformation in the digital era. Information intermediation and media ecosystems that enable fact-based engagement are necessary for democracies to thrive, contributing to healthy democratic debate and allowing for political compromises and consensus building. Freedom of expression online and the increased availability of digital platforms to connect, share views and consume information has been a game changer for people's ability to engage in public debates and decision making, but bringing unforeseen new risks to democracy in terms of dis-information and polarisation, as well as undue influence and skewed participation. Chapter 1 delves further into the risks of mis- and dis-information for democratic elections, political campaigns, and democratic debate.

With a view that Parliaments are a core institution where the democratic debate is taking place, the use of online tools by parliaments to get closer to their constituencies, promote openness and citizens' participation or continue operating in times of crisis (Forteza, 2020^[11]; Piccinin, 2021^[12]) represent an opportunity for progress. Parliaments that harness the power of digital tools can now connect better with those they represent. Social networks and open data are important tools, allowing citizens to engage more effectively with their elected representatives (IPU, 2022^[13]). Digital technologies, in particular teleworking technologies, have allowed parliaments to continue operating during the pandemic (IPU, 2021^[14]).

5.2.1. Enlarging electoral participation

Voting is a *sine qua non* condition of democracy that digital technologies can help facilitate through the digitalisation of the administration of elections and the conduct of the vote, provided the right safeguards are in place. Digitalisation has permeated the various stages of the electoral cycle, from voter registration, to vote casting, to vote counting. For instance, worldwide various countries are making use of electronic means to cast or count votes in national or local elections (Table 5.1). Nevertheless, it is important to note that internet voting systems and technologies — including email and mobile voting apps — remain to be fully secured in terms of cybersecurity and identity theft, so that the integrity of the process is guaranteed.

The digitalisation of electoral processes includes both the automation of the voting process and the digitisation of electoral data. Digitalisation has become central to election information and management systems. Digitised data include voter registers, registers of candidates, results entered in electronic format. Digitised processes include e-registering, e-identification of voters, e-voting on voting machines in polling stations or over the internet, e-counting (i.e. software used to register and calculate results and allocate seats). They also include software used for statistical purposes, and e-transmission of preliminary and/or final results, for example, from polling stations to a central unit managed by the EMB. Digitisation of processes is more challenging when they transit over the internet, due to cybersecurity risks.

Table 5.1. E-voting use in OECD member countries and key partners

ICTs in Elections Database by the International Institute for Democracy and Electoral Assistance (IDEA)

Scope of E-Voting	Countries
Politically-binding national elections (elections for public office or direct democracy initiatives)	Belgium, Brazil, Estonia, France, India, New Zealand, Peru, United States
Politically-binding sub-national elections (e.g. elections for regional legislature or executive office)	Belgium, Bulgaria, Canada, Estonia, India, Mexico, Peru, United States
Other elections with electoral management bodies participation (e.g. election of trade union leaders, non-binding referendums)	France, South Korea
No e-voting currently used in any elections with electoral management bodies participation	Australia, Austria, Chile, Colombia, Costa Rica, Czech Republic, Denmark, Finland, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Türkiye, United Kingdom

Note: Data collection for the ICTs in Elections Database was initially done between 2014 and 2016. Since then, the data is continuously updated as much as possible by IDEA following the changes in regulations of countries related to the use of ICTs in elections.

Source: Adapted from (International IDEA, 2022^[15]) and country comments on draft report.

The process for **voter registration** depends heavily on the country's identity infrastructure. The voter register in many countries is connected to or compiled from the population register or other trusted government data sources, with automated sharing of necessary identity attributes such as citizenship, age, and address. For example, in Sweden, data about eligible voters is transferred from the digitalised population register to the electoral roll 30 days before election day, with voter cards sent out automatically to the registered voters' addresses to facilitate their participation. Anyone who is, or has been, registered in the population register, and is a Swedish citizen above age 18, is therefore automatically registered to vote and receives her or his voter card automatically (Valmyndigheten, 2021^[16]). Countries without connected central registers are instead relying more on citizens themselves to register to vote and to update their information as needed, including when they move to another electoral district. While this approach may cause more barriers to voter registration, these countries might still be working with digital means, including digital identity, to make that process easier and more convenient for citizens.

Once citizens are registered, the next step is **vote casting**. E-voting comprises the e-casting of the vote and the e-counting of paper ballots. Voting is the most supervised use of new technologies in the electoral cycle as it covers the most sensitive process of an electoral cycle, in particular the actual vote and the counting of electoral results (Council of Europe, 2020). It is also the most advanced example of the use of new technologies to facilitate democratic elections because usually it is not just the digitisation of the voting and counting processes, but it ideally implies that all involved documents and processes are digitised so that transactions can take place seamlessly without media discontinuity. E-casting of the vote includes both voting on electronic voting machines in polling stations and voting via the Internet from an uncontrolled environment. E-casting implies e-counting, while e-counting can be undertaken without e-voting using optical scanners which digitise the paper ballot and then proceed to the counting. E-voting is practiced in a few countries, yet not for all elections, as shown in Table 5.1. However, the digitisation of data, documents and processes of the electoral cycle is widespread.

To cast their ballot, eligible voters need to prove their identity, or the identity of others in cases where they are representing someone who is unable to cast their vote for particular reasons. Physical voting and the use of physical identity credentials (as opposed to e-voting using digital authentication) remains a standard practice in most countries. The reasons include political consideration, identity infrastructure, digital maturity, cybersecurity risks, and new risks of fraud, tampering, or coercion which could undermine electoral integrity. For example, as e-voting can take place outside the polling station, there are challenges related to maintaining the principle of one-person-one-vote, and ensuring that citizens can cast their vote

free from duress (ACE project/International IDEA, 2014^[17]). Moreover, major challenges exist related to the verification and *ex post* auditing of election results: reviews of e-voting infrastructure used in some OECD countries revealed weaknesses arising from insufficient transparency measures such as end-to-end verifiability, gaps in the system that left it exposed to interference or tampering, as well as subversion of the verification mechanism (Springall et al., 2014^[18]; Feldman, Halderman and Felten, 2007^[19]; Specter, Koppel and Weitzner, 2020^[20]; Halderman and Teague, 2015^[21]).

Measures to mitigate these risks include secure digital identification and authentication, and the integration of election audits into the electoral system. Any efforts to increase uptake of e-voting will be reliant on solutions for digital identity that are inclusive, robust, reliable, and secure, as well as preserve the anonymity that is at the core of vote casting. Election audits can take the form of receipts generated by end-to-end auditable voting systems that enables citizens to verify whether the system detected their vote correctly. Post-election audits are also able to act as a fraud and corruption deterrent (Mulroy, 2019^[22]). Moreover, new technologies represent further challenges that need to be carefully considered when applied to the electoral process. For example, biometric identification of voters could potentially augment electoral rolls, ensure the unique identification of voters, and prevent multiple voting. Nevertheless, EMBs have refrained from using it due concerns over data protection, vote secrecy, as well as voter disenfranchisement due to errors in biometrical identification. The use of biometry in elections also raises questions in terms of compliance with the right to free expression.

E-voting has potentially many advantages, including lower costs and greater convenience, flexibility, and accessibility for citizens, including those living remotely or with certain disabilities (The Electoral Knowledge Network, n.d.^[23]; OSCE/ODIHR, 2013^[24]; Council of Europe, 2017^[25]; Petitpas, Jaquet and Sciarini, 2021^[26]; Anett Numa, 2021^[27]). Several governments have held e-voting trials (Switzerland, the United Kingdom, and the United States). In 2005 Estonia became the first country to hold legally-binding general elections over the internet for municipal elections and for parliamentary elections in 2007. This system allows voters to cast their ballots from any internet-connected computer, it ensures anonymity and allows voters to change their vote until the end of the voting period to prevent fraud.² In some cases, e-voting has also been found to have a positive impact on voter turnout (Petitpas, Jaquet and Sciarini, 2021^[26]). In the 2021 local elections, as many as 55% of voters in Estonia's biggest county voted online (Anett Numa, 2021^[27]). It is important to underscore that e-voting is not replacing traditional physical voting but complementing it providing alternative ways to cast one's ballot. Additionally, governments need to address security and system accountability challenges when deploying e-voting systems to ensure the legitimacy of the democratic process.

E-voting can be particularly appealing for younger voters and digital natives. As younger people tend to participate less in elections, yet are more often digitally literate, e-voting may be a means to increase youth voter turnout. Evidence is mixed, however. Currently across OECD countries, only 68% of young people go to the polls, compared to 85% of people aged 54 and above (OECD, 2020^[28]). E-voting can facilitate the electoral participation of the youth but is not the only factor. In Estonia, a high-trust society, 43.8% of all votes were casted online in the 2019 parliamentary elections, of which 29.2% of e-voters were aged 18-34.³ Only a small percentage of young Europeans use digital technologies to engage in civic and political life (OECD, 2018^[29]; Mickoleit, 2014^[30]).

Finally, digitalisation can improve the scrutiny of electoral processes, the counting of ballots and the dissemination of election results. In particular, open data can facilitate electoral integrity and accountability by enabling voters and civil society to access and analyse data on elections-related matters such as electoral boundaries, political party platforms, party affiliations of candidates, political party positions, and campaign finance contributions (International IDEA, 2017^[31]). Moreover, open data on election results (provisional and final), by constituency or district for national, regional and local elections, including registered and invalid votes, can help stakeholders validate the legitimacy of the election, can as well help identify necessary reforms for improving future electoral processes. Concerns about foreign interference in elections have nevertheless led to closer scrutiny of the security of digital solutions used in electoral

processes, in particular voter registration and results transmission, as was the case in Germany and the Netherlands in 2017.

5.2.2. Protecting electoral campaigns

Digitalisation presents new opportunities for engaging citizens during election campaigns, in particular through online campaigns and political advertisements. Political representation institutions face the lowest levels of trust among OECD countries, according to the OECD Survey on the Drivers of Trust in Public Institutions (OECD Trust Survey) (OECD, 2022^[32]). On average, only 24.6% of respondents trust political parties and 55.5% say they do not trust them. Additionally, only 38.9% of respondents report trusting their country's representative legislative institution – parliaments and congresses. Through online campaigning, political parties, candidates or third-party campaigners can reach a broader audience of both supporters and voters with political messages (International IDEA, 2021^[33]). This form of campaigning can be conducted at a lower cost than traditional campaigns, which can facilitate access by smaller parties with fewer resources to potential voters. Moreover, political parties can use online platforms to reach out to more voters with more targeted messages (International IDEA, 2021^[33]).

However, digitalisation also presents a number of risks to the integrity of election campaigns, and thereby elections as a whole. Democratic institutions can be targeted by cyber threats⁴ especially during an election. Threat actors may take advantage of the state of affairs during the campaign process to launch cyberattacks to exfiltrate data, obtain administrative access to systems and potentially infect democratic institutions with malware. Cyberattacks on electoral campaigns and their media coverage in the digital space are of increasing concern through, for example, through information manipulation and selective attacks on political campaign media through malware.⁵ Electoral cyber-risks include both cyberattacks on elections in established democracies by foreign state-sponsored actors often linked to authoritarian governments abroad, as well as the use of cyber threats by political parties during the electoral process within democracies, in particular fragile democracies. Any of these actions could undermine the public confidence in the election results.

According to the Canadian Centre for Cyber Security,⁶ cyber risks and threat actors in the electoral process and campaigns include: (i) disrupt election infrastructure using distributed denial of service (DDoS) attacks; (ii) compromise or mimic user identities to spread false information on social media or perpetuate voter fraud; (iii) exploit the current work-from-home environment to compromise systems and gain unauthorised access to election management and/or political party systems; (iv) launch online foreign influence campaigns to discredit the democratic process; and (v) use ransomware-based attacks to disrupt access to election data and systems leading to interruption of election services.

Misinformation and disinformation attacks may also be used to target voters and discredit the outcome of the electoral process. Public debate can be threatened when bots, troll armies or other forms of inauthentic online behaviour are used to manipulate public opinion, for example by spreading mis- and dis-information, targeting support for opposition parties, or artificially inflating the popularity of a candidate or salience of a policy issue (Bradshaw and Howard, 2017^[34]). This requires a whole of society approach and various policy measures identified in Chapter 1.

Political parties can gain voter insights through campaign analytics to better target political advertising. Recent elections in OECD democracies have raised concerns on data-driven political campaigns, political micro-targeting, and voter manipulation in the era of big data analytics, as reflected in the scandal surrounding *Cambridge Analytica* misuse of Facebook personal data to devise a profiling system for a deeper knowledge of the target audience. Political micro-targeting which consists of targeting an individual or a small group of individuals with political messages according to some of their perceived preferences or interests that their online behaviour may reveal, poses particular challenges to data protection, personal privacy and individual free will.

As a result, governments are introducing stricter rules on political advertising and electoral micro-targeting in the digital sphere. In Europe, the European Commission is seeking clear rules for, and greater transparency of, targeting of online political advertising. In November 2021, it put forward a proposal for a [regulation](#) on various political advertising techniques including targeting, as part of measures aimed at protecting election integrity and open democratic debate. In its opinion of January 2022, the European Data Protection Supervisor concurred with the need for stricter rules concerning online targeted political advertising to ensure free and fair elections and recommends a full ban on micro-targeting for political purposes.

Digitalisation has also opened new avenues for the financing of political parties and elections campaigns that need to be better regulated. Through online platforms and crowdfunding mechanisms, small donors can contribute more easily to electoral platforms and campaigns. Yet digital technologies also present a number of risks, in part because the regulation of online political funding is almost non-existent. While most OECD countries have a mature regulatory framework in place to regulate campaign financing, including spending limits, bans on funding from certain private contributors, access to public funding, as well as others, the regulatory framework has not adapted to the challenges posed by online campaigning (OECD, 2021^[35]). For example, while a third of OECD countries place limits on traditional advertising spending in relation to election campaigns (for both political parties and candidates), only two countries place limits on online media advertising spending in relation to election campaigns for political parties, and four place limits for candidates (International IDEA, n.d.^[36]). Moreover, digital campaigns can be used to circumvent rules related to campaign financing in a number of different ways. For example, foreign state or non-state actors, including foreign civil society organisations, can avoid bans by organising the campaign outside the respective country, and targeting voters within. As the funds were not spent within country, it can be very difficult for law enforcement and electoral oversight bodies to detect and sanction non-compliance (Council of Europe, 2018^[37]).

Addressing the risks posed by digital technologies to online campaigning and campaign finance requires closing regulatory gaps, and leveraging existing tools to identify potential breaches. Priority areas would include (i) defining what constitutes online campaigning to improve clarity amongst political parties, candidates and platforms; (ii) making use of various control measures, including data analytics and audits, to improve oversight; (iii) enabling open access to data on payments made to political parties or candidates via online platforms to oversight bodies and the public; and (iv) addressing gaps in existing regulation for online campaigning, as well as third-party funding.

5.2.3. Nurturing democratic deliberation

Information plays a central role in building a healthy and trustworthy democratic public debate. A vibrant democracy is based on the constructive deliberation between contrasting views on key political vision and policy issues. It is also based on capacity to generate compromises and forge consensus based on fact-based, in good faith contestation and negotiation.⁷

The increasing mediation of public debate by digital platforms is also bringing additional challenges to democracy. After television and newspaper, the third most common news source, on average, is social media, according to the OECD Trust Survey (OECD, 2022^[32]). 44% of respondents reported that they get news from social media at least once a week, and in some countries this number goes up to 60%. This additional source of information, with content shared and re-shared by citizens and all types of organisations, has in principle allowed more scrutiny of governments, access to a variety of information as well as increased participation, but with unforeseen consequences on the spread of mis- and disinformation, polarisation and trust (Table 5.2).

Table 5.2. Potential indirect effects of digital platforms on public opinion and political institutions

No Responsibility	Partial Responsibility
Increase in “constitutional hardball”	Decline in mutual tolerance
Erosion of administrative state	Increase in views of the opposition as illegitimate
Erosion of the rule of law	Erosion of public faith in democratic rule
Increase in state control of the media	Loss of gatekeeping in party nominating process
Decline in institutional forbearance	Furthering state and ruling party media co-ordination
	Decrease in public faith in institutions
	Decreased accountability of political elites in institutions

Source: (Barrett, Dommett and Kreiss, 2021^[38]).

The spread of mis- and dis-information threatens democracy by undermining free and fact-based exchange of information and reinforcing polarisation; it also affects genuinely free expression and free will. Nevertheless, governments are starting to build the tools to prevent and combat mis-and dis-information and favour a governance of information ecosystems that strengthens democracies. Chapter 1 offers an extensive discussion on the matter.

Of particular concerns are special interest groups, as well as state and non-state domestic or foreign actors, who can abuse social media to manipulate information, misinform the public and communicate biased opinions. Some companies are using social media advertisements to influence the political narrative, with positive messaging through targeted Facebook and Instagram ads promoting the benefits of increased fossil fuel production (InfluenceMap, 2019^[39]). Currently, only Canada and the EU require lobbyists to disclose information on the use of social media as a lobbying tool: in Canada, lobbyists must disclose any communication techniques used, which include social media, whereas in the EU, activities aimed at indirectly influencing EU institutions, such as social media, must be reported in the EU Transparency Register (OECD, 2021^[35]).

The war in Ukraine, has also revealed the extent of the use by some foreign actors of social media (mainly) for disinformation and propaganda to act on information outcomes in democracies. While trust in information about the war by EU governments, the EU or NATO seems to be quite high according to the Flash Euro Barometer (74% of EU citizens either fully trusted or tended to trust these sources of information in April 22) as well as trust in journalists (56%), early research is also showing that Russian propaganda is potentially exacerbating polarisation, even in the most mature democracies (European Commission, 2022^[40]). Research conducted by IFOP (*Institut d'Études Opinion et Marketing en France et à L'international*) published in March 22 shows that about half of French people believe that at least one Russian theory about the war is true, with those voting on the extreme right and extreme left being significantly more likely to adhere to Russian Propaganda on the origins of the Ukraine crisis (IFOP, 2022^[41]). This is despite the strong measures taken by many OECD democracies limiting access to disinformation spread by Russian sources, collaborating with social media platforms, and tracking and responding through NATO and the EU's Recovery and Resilience Facility (RFF) mechanisms. The penetration of Russian propaganda about the war and its global consequences is likely to be higher in developing economies.

The growing polarisation of the political debate in many democracies is of particular concern to OECD governments. Many of the tensions and challenges found throughout society are aggravated on social media platforms, which channel user content via algorithms designed to promote engagement and share similar content, which can reinforce users' existing perceptions rather than challenge them (Smith, 2019^[42]). Algorithmic determinism segregating the news and information people see and interact with online might exacerbate the effects of “echo chambers” and confirmation bias, limiting exposure to diverse perspectives and reinforce presupposed narratives. Confirmation bias is the tendency of people to favour information that confirms or strengthens pre-existing beliefs and values, and is difficult to dislodge once

affirmed (Wason and Johnson-Laird, 1972^[43]). Evidence from behavioural science shows that information overload and confirmation bias can, in part, explain behaviours relating to group-thinking and polarisation, and even undermine the most compelling, fact-based messages (Sunstein, 1999^[44]; Currin, Vera and Khaledi-Nasab, 2022^[45]).

There is growing, although inconclusive, evidence that such mechanisms might be taking a toll on the polarisation of public debate in democratic countries. Based on V-Dem's polarisation of society indicator,⁸ 11 OECD countries experienced an increase in polarisation between 2011 and 2021, and 7 OECD countries are currently categorised as experiencing “serious polarisation”, the worst category (OECD, 2022^[46]). A review of causal evidence about the effects of digital media on democracy found that, in more established democracies, there were more pronounced trends likely to be detrimental to democracy (i.e. growing polarisation, but also declining political trust and advantages for populists) (Lorenz-Spreen et al., 2021^[47]). On the contrary, some trends more likely to be beneficial for democracy (i.e. increases in political participation and information consumption) were often observed in emerging democracies. Social media's effects on polarisation are likely to be reinforcing increased polarisation caused by a multiplicity of other factors, including political disaffection and the impact of media fragmentation (DellaVigna and Kaplan, 2007^[48]; Van Aelst et al., 2017^[49]), although it is difficult to measure which factor is the most important and what would constitute a tipping point of polarisation for democracy.

These complex findings suggest that there should be a wide range of efforts to reduce polarisation, focused on all relevant actors in the media, platforms, and information ecosystems (see Chapter 1). There is some evidence of the potential for depolarising effects of social media, due to potential exposure to diverse information (Beam, Hutchens and Hmielowski, 2018^[50]; Yarchi, Baden and Kligler-Vilenchik, 2020^[51]). Furthermore, there is evidence that social media platforms themselves may be used as tools to effectively share a wide range of information and potentially build resilience of online civic space (Kubin and von Sikorski, 2021^[52]).

5.2.4. Fostering political inclusion

Digital technologies hold great potential for political empowerment, contributing to closing gaps in political participation and engagement of under-represented groups (see Chapter 2). The OECD Trust Survey indicates that only 29.8% of respondents on average say that their political system lets them have a say in what the government does, while a majority in eight surveyed countries are not confident (OECD, 2022^[32]). Over the last years, digital media have revolutionised the way policymakers interact with citizens, offering political parties and elected politicians greater tools and opportunities to connect with their constituencies, engage in dialogue, and increase their impact. Thanks to very low entry costs, social media has particularly benefited traditionally marginalised groups such as women and minorities, who often have to face barriers of entry when competing for resources in the political sphere (Women in Parliaments Global Forum, 2016^[53]).

However, the growing use of digital fora also presents threats for women and other under-represented groups in politics, reducing further their incentives to participate in politics. Women and under-represented can be significantly more likely to experience online abuse, harassment, hate speech and gender-based dis-information (Institute for Strategic Dialogue, 2020^[54]). They can be victims of cyber violence, that is defined as “the use of computer systems to cause, facilitate, or threaten violence against individuals that results in, or is likely to result in, physical, sexual, psychological or economic harm or suffering and may include the exploitation of the individual's circumstances, characteristics or vulnerabilities” (Council of Europe, 2018^[55]). As such, social media platforms have become, according to the Inter-Parliamentary Union (IPU), “the number one place in which psychological violence is perpetrated against women parliamentarians (IPU, 2016^[56])⁹ with substantial consequences for women's participation in public life as they may be discouraged from running for office, be pushed out of politics, and be prevented from achieving leadership positions.

5.2.5. Way forward

Looking ahead, a number of priorities stand out for governments to protect and promote democratic institutions in the digital age, while acknowledging the need to ensure public transparency and preserve the foundations of healthy elections and democracy:

- Ensure the integrity elections throughout the electoral process that is increasingly relying on digital tools (from voter registration to vote counting), leveraging open data to increase its credibility and strengthening the oversight capabilities of electoral management bodies.
- Strengthen the digital capabilities of electoral management bodies in the conduct and oversight of elections, in particular their cybersecurity capacities to administer electoral processes, manage electoral processes and protect electoral data and campaigns from cyber threats.
- Close regulatory gaps in election-related processes, such as online campaign finance, online political advertising and data-driven political micro-targeting, and enable appropriate enforcement and redress mechanisms in case of breaches.
- Build the necessary safeguards so that digital platforms do not enable or allow for disrupting the political playing field and protect the domestic political debate from undue foreign interferences and cyberattacks.
- Protect the democratic debate by reducing political polarisation, before, during and beyond elections, by fighting mis and dis information and adopting specific actions to shield women and under-represented groups from politically motivated abuse and harassment.

5.3. Fostering citizen participation in the digital age

Active citizen participation in democratic processes, beyond the ballot box, is central to the vitality of democracy. Pillar II of the Reinforcing Democracy Initiative looks at the main evolutions in this field in greater detail and depth (see Chapter 2).

Digitalisation opens a range of opportunities to increase citizens' voice in policy making and service delivery. Digital participation, that is the use of digital channels for citizen participation in the political arena, the civic space and public decision-making, has the potential to allow for more innovative and effective levels of participation and engagement of citizens. From the early days of digital government experimentation, "the use of new information and communication technologies (ICT) to increase and enhance citizen's engagement in the democratic process" (Parliamentary Office of Sciences and Technology, 2009^[57]) was present in public sector foresight reports. At present, it ranges from the provision of information, to agenda setting mechanisms (such as e-petitions, where citizens can address and solve issues with public services or raise concerns with government directly), to consultation procedures and more intensive forms of engagement (e.g. online deliberative processes or crowdsourcing of citizen challenges). Digital participation allows for more immediate and continuous political debate and the creation of fluid spaces for discussing, deliberating and reaching decisions (OECD, 2017^[58]).

The digital age is also expanding the number and types of actors willing to engage with all levels of government to better serve society. The characteristics of digital participation, especially its non-geographical delimitation and a-synchronicity, can allow for far bigger audience to engage in a single process. It has also created interest from new types of actors. For example, the open data movement has allowed for a growing number of engaged citizens and civic start-ups to work with public authorities directly to co-deliver services of public interest and oversee local authorities, especially at city level. Digital tools for citizen participation can also enhance collective action, societal mobilisations and support virtual communities. However, achieving meaningful participation that articulates proposals beyond protests, is inclusive and representative, has a tangible impact in the decision-making process, remains a challenge. In this evolving context, digital participation presents a broad range of opportunities to be nurtured and

challenges that need to be addressed to bolster inclusive participation and further engage, or re-engage, disengaged groups and young people. These range from data protection to building citizens' capacity to use digital tools and data.

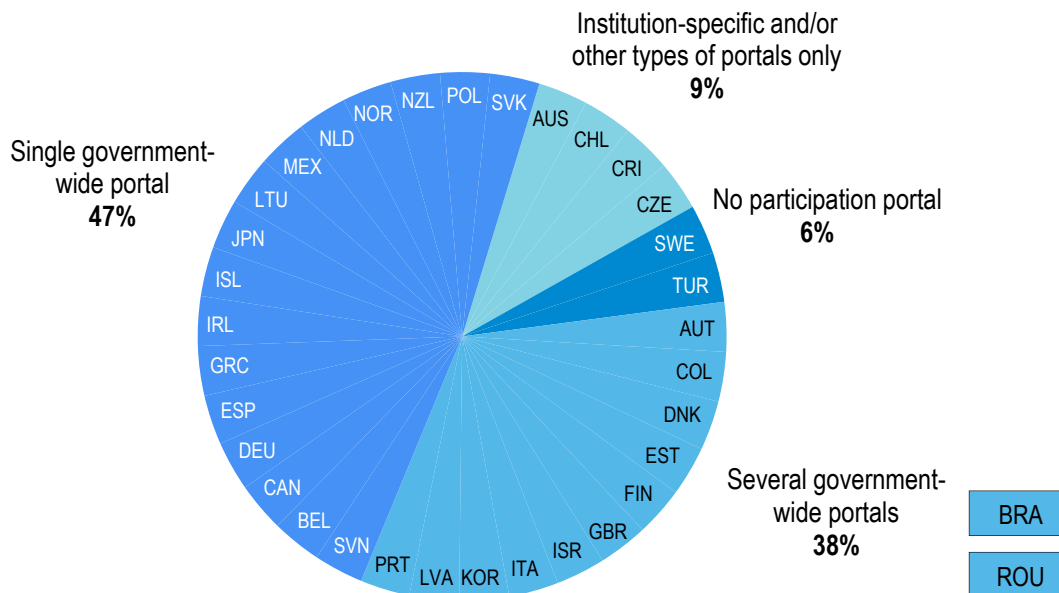
5.3.1. Empowering citizens beyond elections

Digital platforms, channels and tools are enabling alternative spaces for consultation, discussion and deliberation on public policies, also promoting citizens' policy initiative. They increasingly complement the action of traditional forms of citizen participation, both at the individual and collective levels. For instance, in Estonia, the Citizen Initiative Portal *rahvaalgatus.ee* enables citizens to develop, send, and track legislative proposals and regulatory improvements to parliament or local authorities. Collective petitioning right emerged in Estonia in 2014. Similarly, *Kansalaisaloite*, Finland's platform for citizen initiatives created in 2012 and managed by the Ministry of Justice, enables citizens to present legislative proposals that, if they garner sufficient support, can be tabled in parliament for debate. A similar e-petition system exists in the United Kingdom,¹⁰ where citizens have submitted over 28 000 e-petitions to call for action on specific issues which the government or parliament are responsible for, either seeking a response or suggesting consideration for debate. Such digital solutions can circumvent restrictions and help overcome obstacles to the direct participation of specific groups of citizens. For example, two different initiatives in Mexico can be cited as successfully engaging "hard to reach groups" such as women, youth and marginalised city dwellers. "*Block by Block*" is an UN-Habitat initiative that uses Minecraft – a computer game – as a tool to promote participation for urban planning and the *Mexico City Mapathon* was a gamified crowdsourcing experiment to involve public transport users in mapping the city bus routes.

The use of digital platforms to encourage and facilitate citizen participation has become a widespread practice at all levels of government (NESTA, 2017^[59]). The United Nations E-Government Survey found that recent years have witnessed the proliferation of e-consultation mechanisms, national e-petition platforms, citizens' initiatives and crowdsourcing initiatives (UNDESA, 2020^[60]). For example, Portugal has developed *Participa Portugal* to promote public consultations. Digital platforms were also deployed by government to continue engaging with citizens during the COVID-19 lockdowns, as done in Scotland local governments.

An increasing number of governments at national and local levels are moving from ad-hoc platforms developed for one particular participatory process, to more comprehensive and integrated digital ecosystems for citizen participation. In 2020, 27 out of 32 OECD countries (85%) had government-wide participation portals used by all ministries at the central and federal levels of government as a "one-stop shop" for citizens to participate (Figure 5.1), according to the OECD 2021 *Government at a Glance* report (OECD, 2021^[61]). This centralisation supports uptake from citizens, facilitates communication, enhances co-ordination, and reduces overlaps between public institutions.

Figure 5.1. Availability of government-wide portals to facilitate citizen and stakeholder participation, 2020



Note: Data for France, Hungary, Luxembourg, Switzerland, and the United States are not available.

Source: OECD (2021^[61]), *Government at a Glance 2021*, OECD Publishing, Paris, <https://doi.org/10.1787/1c258f55-en>

Digital tools are being used to increase the impact of established participatory practices such as participatory budgeting or social accountability. In this case, open digital platforms can be used both to inform citizens and allow them to submit or vote on proposals online. Government-led initiatives, such as Portugal's Participatory Budget, have adopted technology as a way to bring citizens closer to decision-making and to ensure a deeper nation-wide cohesion between regions, rural and urban areas.¹¹ Many public institutions have set up digital channels, to increase the uptake of social accountability mechanisms and create more continuous feedback loops. For example, Brazil deployed the *fala.br* platform as a central point for citizens to provide feedback or complaint about a public service (OECD, 2022^[62]).

Digital technologies can also promote more innovative approaches to citizen participation. During the COVID-19 pandemic in 2020 and 2021, online deliberation became the most used medium for conducting deliberative processes (OECD, 2021^[63]). For example, Finland has organised several online deliberative processes to gather recommendations from a representative group of Finnish citizens on issues such as tackling online hate speech or infrastructure (Grönlund et al., 2020^[64]). This trend is likely to continue, whether in a full online or in hybrid settings. Other innovative features that digital can introduce include the use of artificial intelligence to map citizens' contributions as done in Taiwan (GovLab, 2019^[65]), the use of virtual reality or the gamification of participatory processes to fight low motivation and disengagement (Tseng, 2022^[66]), and active social listening platforms such as in Spain through the civic-tech solution Citibeats. Digital participation tools and crowdsourcing platforms are also increasingly adopted at supranational level, as shown among others by the Conference on the Future of Europe or the Global Citizen Assembly for COP26, as it can be a particularly effective tool to facilitate citizen engagement on regional and global issues, increasing the reach despite physical distance and language barriers.

Technology is also enabling increasingly direct and interactive relationships between citizens and institutions in the co-design and co-delivery of solutions to public problems, in particular at the city level. For instance, there are solutions spreading across the world that replicate and adapt the *FixMyStreet* app

developed in the United Kingdom, which enables citizens to report infrastructure or service delivery problems to the corresponding local public authority. *FixMyStreet* is a map-based platform developed by mySociety that allows people to inform their local authority of problems needing their attention, such as potholes and broken streetlamps. At a national level, the National Association of State Procurement Officials (NASPO) in the United States issued in 2021 a call for tenders to source suppliers able to provide versatile citizen engagement platforms for the benefits of seven States (NASPO, 2021^[67]).

Social impact investors, too, are increasingly supporting these tech4good initiatives developed by civic-techs. In May 2022, Globant, a global venture fund, launched the Be Kind Tech Fund, a USD 10 million fund to invest in start-ups that tackle the negative collateral impacts and the misuse of technology in society. Venture philanthropies are also stepping in, creating dedicated funds to invest in public interest technology deployed by civic organisations to solve societal problems and improve government.¹² For example, in 2019 the Ford Foundation established a USD 50 million Public Interest Technology Catalyst Fund that has leveraged a further USD 150 million in complementary grant-making by partnering foundations since 2020.

Digital solutions are also used to enhance the traditional democratic representative institutions. Legislative institutions are increasingly championing digital democracy initiatives, moving from *ad hoc* platforms to integrated digital ecosystems. Digital technologies are contributing to modernise legislative processes, facilitate committees' work, enable remote deliberations, increase transparency of parliamentary practices, enhance constituency relations, and changing the ways laws are drafted (Mohun and Roberts, 2020^[68]). For example, in 2020, the UK Parliament adopted a 5-year Digital Strategy to modernise its international functioning and enhance its external constituency relations. Similarly, Australia's Parliament Digital Strategy for 2019-2022 provides a roadmap to digitally enhance the work of parliamentarians and their engagement with their constituencies.

Regarding the implementation of technologies, the OECD's 2018 OECD Survey on Parliamentary Budgeting Practices analysed public participation in the budget process. Seven countries parliaments reported using e-petitions (Estonia, Finland, Germany, Korea, Luxembourg, New Zealand, and Portugal); while parliaments in France, Greece and Switzerland reported holding "digital debates on social media platforms" (OECD, 2019^[69]). Countries such as France and Argentina have established an institutional digital platform for petitions and consultations, and whilst others, such as Chile and Brazil, have set up a digital infrastructure including streaming applications, collaborative drafting tools and mobile apps to increase citizen participation throughout the legislative cycle.

City governments have been particularly successful in leveraging digital platforms and tools to create a digital ecosystem that enhances citizen participation. The UN 2020 E-Government Survey found that citizen participation through city portals was most commonly done through social network features (79%), submission of feedback or complaints (72%), deliberative and decision-making processes (45%), and information on public meetings of the city or municipal councils (43%). Only a few participate through voting forums (28%) or provide feedback about consultation processes (23%) (UNDESA, 2020^[60]). These platforms are typically part of broader open innovations embedded in smart city strategies and open government initiatives. For example, the main pillars of Barcelona's Digital City strategy include digital transformation, digital innovation, and digital empowerment, including the promotion of civic rights in cities. In Colombia, Bogotá's citizen participation platform Yo Participo¹³ is part of the city's open government strategy.

A myriad of cities around the world have adopted digital citizen participation platforms. These platforms allow citizens to be involved in a diverse set of participatory mechanisms, including local budgets, consultations, citizen assemblies, townhalls or opinion polls. In addition, they centralise and thus facilitate access to information about the right to participate, allow for collective discussions, provide feedback on closed processes, and are progressively being combined with other digital solutions such as digital identity or government chatbots.

- In 2015, the city of Madrid launched its online platform, Decide Madrid, to encourage greater citizen participation in local governance, participatory budgets, and investment projects. It is based on an open-source software developed by the municipality of Madrid [Consul](#) and now deployed in 135 cities in 35 countries.
- The city of Barcelona developed its own participatory platform [Decidim Barcelona](#), originally focused on participatory budgeting and the monitoring of public works which allows the city government to interact with citizens through diverse mechanisms including information and data, public consultations, town hall meetings and participatory budgets. It is based on an open-source and open-code software (*Decidim*) now used by cities and regions such as Helsinki, Mexico, Milano, and New York.¹⁴ It is a digital space forming part of a participatory process in which to debate, respond and gather proposals.
- “Better Reykjavik” in Iceland is a platform that promotes greater transparency and enlarges the role of citizens in the definition of the city’s budget, with local authorities supporting and embedding the solution into their administrative processes and establishing a constant dialogue with citizens regarding their proposals and initiatives.

Last but not least, non-governmental organisations are also leveraging digital tools to increase citizen oversight of public institutions, often partnering with civic-tech start-ups. In the United Kingdom, for instance, to move beyond access to information and enforce social accountability, mySociety has developed open-source digital democracy tools such as TheyWorkForYou releasing voting records to increase parliamentarians’ accountability and WriteToThem to allow citizens to engage with their elected representatives, whom they often do not know, using a software that matches postcodes with constituency boundaries. In Brazil, the civic-tech *Serenata de Amor* uses artificial intelligence to audit public accounts and support social control of parliamentarians’ emoluments. It created Rosie, an artificial intelligence robot, to analyse parliamentarians’ expenses and detect suspicious spending.

Nevertheless, the design of these digital tools and platforms needs to be inclusive, engaging and accessible to all. The design of a digital tool can impact the way citizens interact and how they express their opinions. This includes considerations about the format of discussions (text only, ranking of comments, etc.) or the identification of the participants (Shortall, 2020^[70]). For the design of the *Decide Madrid* platform, user-friendliness and usability were key factors. To improve the design of its digital infrastructure, the Brazilian Chamber of Deputies has set up a physical space (Hacker Lab) where different stakeholders including developers, data scientists, designers, social scientists and elected representatives can collaborate, creating an integrated digital ecosystem that allows for a continuous participation in the law-making process.

Digital tools can enhance and improve a participatory process, only if the process itself is well designed and implemented. Governments should be clear about the purpose and the expected outcomes of those initiatives, integrating the digital solutions into government processes and ensuring administrative responsiveness to citizens’ inputs. To support public authorities in this matter, building on the 2020 report on *Innovative Citizen Participation and New Democratic Institutions: Catching the Deliberative Wave* (OECD, 2020^[71]), the OECD will publish the *OECD Citizen Participation Guidelines*, which offer a ten-step path to properly design, implement and evaluate a participatory process. The Guidelines include one step to help public authorities decide the right approach to using digital tools in their process, as well as guidance on how to implement and which tool to use.

Despite its promises, however, technology is not a panacea that will replace the necessary reshaping of government institutions for improved representation and participation (see Chapter 2), nor will the offer of digital channels compensate for citizens’ low interest in engaging in policy-level discussions. Rather, digital tools complement traditional participation mechanisms that are still relevant today, especially for marginalised and vulnerable communities with low digital literacy, as they help diversify the profiles of citizens engaged through digital channels and prevent or minimise additional exclusions brought by any

“digital divides”. Digital solutions themselves should be open to democratic rules, principles and scrutiny; be accountable, transparent and responsible in their impacts; engage citizens throughout their development so that they are fit-for-purpose; and provide security and protection for citizens’ engagement and participation. In addition, building ‘democratic fitness’ by bolstering citizens’ capacities, trust and engagement remains a key factor in improving participation in the democratic system (see Chapter 2). However, citizen engagement must be carried out within the checks and balances provided by legislatures and systems must be in place to safeguard programmes against capture by organised groups seeking to serve their own interest.

5.3.2. (Re-)engaging the digital natives

Strengthening citizen participation through digitally enabled consultation and participation is particularly relevant for young people. The OECD Trust Survey shows that on average, 37.9% of people aged 18 to 29 tend to trust the government, compared to 41.8% of those aged between 30 and 49, and 45.9% aged 50 and over (OECD, 2022^[32]). Whereas a significant share of young people today has grown up as “digital natives”, they continue to be significantly underrepresented in public institutions and institutionalised forms of political participation such as electoral platforms or political party membership. In turn, with the proliferation of digital tools, young people have increasingly diverted to non-institutionalised forms of political engagement, including through digital channels such as social media (OECD, 2020^[72]; OECD, 2022^[73]). The OECD *Communication Guide on Engaging Young People in Open Government*, for instance, was developed to support countries to better communicate with young people to engage them in open government reforms, drawing on research and case studies from across OECD member countries (OECD, 2018^[29]).

In response to the COVID-19 crisis, numerous governments launched digital participation opportunities, including online consultations, to involve young people in the design of response and recovery measures. For example, Germany, Estonia, Lithuania, Poland, and Switzerland, among others, have organised or supported virtual hackathons in the early stages of the COVID-19 crisis to generate innovative ideas for mitigating the health, social and economic implications of the crisis (OECD, 2020^[74]). Findings show that digital engagement strategies that prioritise two-way interaction, where young people feel a sense of empowerment and agency, and where collaborative approaches are prioritised are more likely to effectively engage young people in public participation processes (OECD, 2018^[29]).

Digital participation platforms can get inspiration from digital channels or spaces populated by young people to bring this underrepresented group back into institutionalised participation. Digital natives are present in social media and have integrated online communications and channels in their daily interactions. Digital participation could look closer to the existing digital spaces to make these participatory opportunities more appealing to the younger generations. This can include adopting functionalities such as ranking, multimedia interaction, and gamification. For example, during the French presidential elections in 2022, Ministers and candidates used the videogame streaming platform Twitch to engage with the younger voters, and civic tech communities created “Tinder-like” applications such as *Elyzee* to increase information on electoral campaigns and programmes.

The *OECD Recommendation of the Council on Creating Better Opportunities for Young People* adopted in June 2022 underscores that digital government tools can be used to apply more innovative methods to communicate and engage with organised and non-organised young people. It also acknowledges that digital means are important to engage the youth in all stages of the policymaking cycle and that young people and structures such as youth advisory bodies should be created or strengthened in areas such as digital technology policy and governance. Governments can also take specific actions to develop capacity for young people to participate and enhance democratic dialogue with young people on policies to address climate change, rising inequality, and threats to democratic institutions (OECD, 2022^[73]).

Finally, there is growing recognition of the importance to build digital citizenship and strengthen digital citizenship education to promote youngsters' civic engagement in the digital space (OECD, forthcoming^[75]; Mossberger, Tolbert and McNeal, 2007^[76]). This need stems from the new and multiple ways in which young people are engaging in and communicating about civic issues through the use of social media. According to the Council of Europe (2016), "digital citizenship refers to the ability to engage positively, critically and competently in the digital environment, drawing on the skills of effective communication and creation, to practice forms of social participation that are respectful of human rights and dignity through the responsible use of technology" (Council of Europe, 2016^[77]). Initiatives to reinforce responsible digital citizenships include partnering with platforms where the narrative against democratic values is being mainstreamed to target the political education of the young people in the digital age, or collaborating with schools to support students' digital civic engagement. To that end, the Council of Europe is developing a *Reference Framework of Competences for Democratic Culture*, to be adapted for use in primary and secondary schools and higher education and vocational training institutions throughout Europe as well as national curricula and teaching programs.¹⁵

5.3.3. Ensuring digital inclusion

Digital technologies can also help increase the representation and participation of under-represented groups in democratic processes. They can widen the scope of any participatory process by increasing the reach beyond physical distances, allowing for asynchronous interaction, and enabling new features such as automatic translation. However, they can also create new forms of exclusion, as for example, men, urban residents, and young people are more likely to participate online than women, rural populations, and older persons (ITU, 2021^[78]; OECD, 2021^[79]; OECD, 2020^[80]).

For digital democracy to flourish, public authorities should thus address the digital inequalities (Schradie, 2018^[81]), both in terms of access to and the capability to use digital technologies for civic and political participation by providing analogue alternatives, ensuring access to the internet, and levelling digital literacy among all citizens. As digital tools and technology become central to political activity and the civic space, citizens must have the sufficient digital skills to be comfortable with and effectively leverage digital participation tools and platforms. Mitigating the risks of exclusion from digital participation mechanisms and leaving no one behind the digital transition require enhancing digital literacy. As such, digital participation should not be exclusive and incompatible with, but complementary to more traditional channels to (re-)engage citizens in civic life and political processes.

Countries are taking steps to respond to the digital skills challenge and fight digital exclusion, which is central for inclusive democracies in the digital era. Digital inclusion is essential to ensure that no one is left behind in the digital transition in terms of access, affordability, and ability to use digital tools productively. It requires approaches tailored to the needs of different populations, in particular vulnerable groups, older people and people with disabilities. For example, in 2018, France launched a national plan for digital inclusion (*Plan national pour un numérique inclusif*) aiming to develop a safe and human-centric digital society. By providing digital competences to 4.5 million French citizens, the goal is to achieve digital inclusion of one third of the French population over the next 10 years. These initiatives are particularly important at the local level, both in rural areas and city contexts. The Scottish government set up an inclusion program called *No One Left Behind Digital Scotland*¹⁶ and adopted in 2014 a Digital Participation Charter¹⁷ to promote citizen participation in the digital space.

A more complex issue is that of digital literacy efforts aimed at empowering citizens to use technology or navigate the internet in a responsible and safe fashion. This is essential, as services are increasingly accessed online and the use of digital identity is becoming more and more pervasive in people's lives. Reducing digital inequalities requires multiple efforts including improved existing digital infrastructure, specialised training, and digital security awareness programmes. All these initiatives aim to provide targeted

support for citizens to effectively and safely leverage digital tools to enhance their participation in local politics and civic life (OECD, 2019^[82]). For instance, Portugal offers cybersecurity training for citizens.¹⁸

5.3.4. Way forward

Looking ahead, a number of priorities stand out for governments to consider so as to harness the potential of new technologies to enhance the quality and impact of citizen participation in the digital era:

- Constantly monitor, and upgrade and update digital democracy tools to meaningfully empower citizens, in particular the youth, in decisions affecting their everyday life, partnering with a wide range of stakeholders including innovative civic-techs, users and technical communities.
- Provide the necessary resources (human, financial and technical) to develop, maintain and use digital tools for democratic purposes, including the analysis of citizen inputs received through these tools.
- Support a move towards integrated ecosystems of tools and platforms that enable a coherent space for digital participation, in particular at the city level.
- Ensure the technologies and tools used in participatory processes are fit-for-democracy, meaning they are transparent and accountable, follow ethical standards and apply robust data protection and algorithm transparency.
- Demonstrate and communicate the results of citizen participation in decision-making and the co-design of policy responses, especially at the local and city levels.
- Ensure solid governance of participatory processes to avoid capture by special interest, warrant representativity, solid linkages with traditional democratic institutions in particular parliament, and make sure expectations are met on the outcomes of the participatory processes including with solid *ex ante* and *ex post* communication.
- Take steps to decrease the digital divides by ensuring equal access to democracy tools emerging in the digital age and foster inclusion of marginalised communities and vulnerable groups so that no one is left behind, using a combination of digital and analogue tools.

5.4. Furthering government transparency and accountability in the digital era

Digitalisation offers a wealth of opportunities for improving transparency, accountability, and integrity in government. Government digitalisation allows for the automation of processes and the digitation of data within public administrations that improve not only the efficiency and reliability of government operations but also their transparency and decreased opportunities for breaches in integrity. It also enables more agile service windows to interact with users that improves responsiveness, transparency, and accountability in the delivery of public services. From the proactive provision of open data, AI-powered auditing, and integrity analytics, through to live streaming of government and parliamentary debate, the opportunities are vast to leverage new technologies to modernise government.

Nonetheless, designing transparency mechanisms that are fit-for-purpose in a digital context is not always straightforward. For example, increased availability of government data and civic technologies may not in itself lead to greater empowerment of citizens in the absence of an adequately responsive institutional context to process demands. Greater government data openness and more effective anticorruption analytics might lead, in the short-term, to increased citizen perceptions of corruption. It might neither lead to more effective external oversight by civic organisations and accountability institutions, which may not have the skills or means to use these digital innovations effectively, nor the political incentives to act on them. Furthermore, the benefits of emerging technologies, especially data analytics and artificial intelligence, for increasing transparency and accountability of government activities need to be coupled with new ways of ensuring trustworthiness of their use by governments.

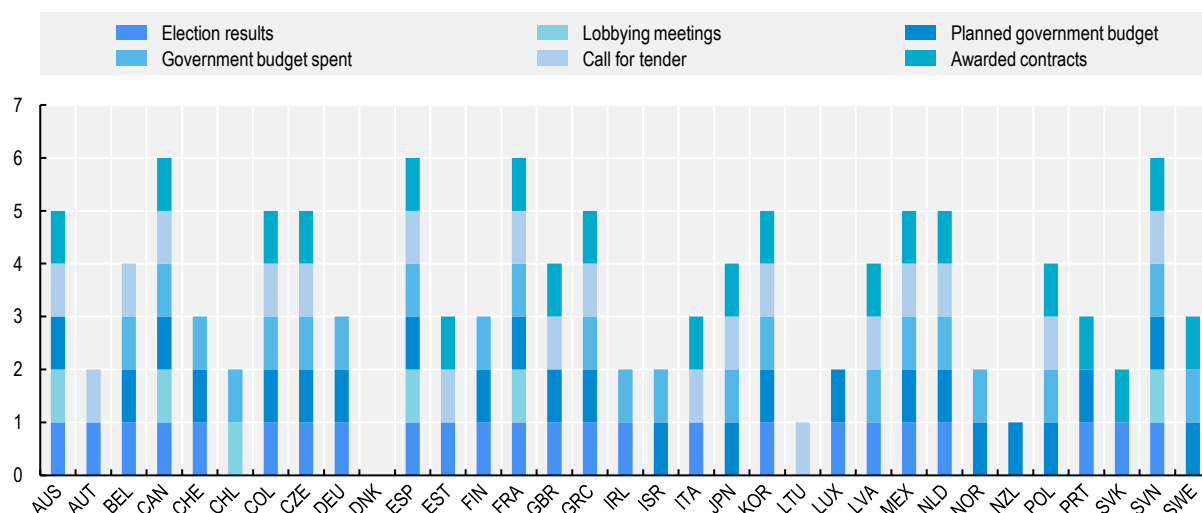
5.4.1. Opening up government data

Many governments have made considerable progress to open government data to support transparency policy making processes (G8, 2013^[83]). Good open government data is critical for delivery units within centres of government to better oversee and monitor government's overall performance. Open data arrangements refer to “*non-discriminatory data access and sharing arrangements, where data is machine readable and can be accessed and shared, free of charge, and used by anyone for any purpose subject, at most, to requirements that preserve integrity, provenance, attribution, and openness*” (OECD, 2021^[84]). Open government data is helping governments improve the operational efficiency of public administrations, the quality of public spending, and targeting of social programs. It has also been critical in improving the design, delivery, and responsiveness of public services, better tailoring them to users' needs (OECD, 2019^[85]). Furthermore, it has proved a critical tool to increase transparency and accountability of government policies and programs, contributing to anchor integrity and mitigate fraud in high-risks policies areas such as taxation, budgeting, and procurement.

Countries are opening election, lobbying, budgeting, and procurement data to increase transparency and accountability in public governance (Figure 5.2). As highlighted in Section 5.2 of this chapter, open electoral data is key to enhance the integrity of elections and hold electoral actors accountable. It can include data about the elections results, as well as data about electoral boundaries, campaign finance, voter registration, and disputes resolution. Besides facilitating participation, opening up data related to political parties can contribute to restoring trust in political parties and improving the accountability of party-based representative democracy (Scarrow, Webb and Poguntke, 2017^[86]). Additionally, publishing open lobbying data can help enhance transparency and trust in public decision-making processes by mitigating the risks of undue influence. The European Commission and Parliament have implemented a comprehensive approach to open lobbying data, including a register of lobbyists, meetings, and external activities of public officials with lobbyists. Civil society re-uses this data to develop oversight mechanisms, such as the Integrity Watch EU portal.¹⁹

Governments are making a range of open budgetary data available, including data on revenue management, public investment, and government procurement. This open budget data contributes both to improve the functioning of government and to enable external oversight. Centres of governments themselves, in particular finance ministries, have a strong incentive in making public finances information more reliable, accessible and re-usable, especially those of local governments and municipalities, as the trend towards greater fiscal decentralisation has significantly increased the share of public resources managed and executed by local authorities and state-owned enterprises. Civil society, professional organisations and software developers are also using the data to develop tools to monitor revenue and spending details, producing freely available apps and visualisations to increase budget transparency. Governments have adopted open government actions plans with specific commitment to increasing fiscal transparency and adhered to voluntary initiatives and standards that have significantly advanced budget transparency.²⁰ The *OECD Budget Transparency Toolkit* (OECD, 2017^[87]) sets out a range of minimum standards for open budget data. Finally, open data containing lobbying information, using standards and identifiers, has great potential to facilitate government transparency and integrity, for instance in supporting the cross-checking of data from different sources, such as political finance contributions (OECD, 2021^[35]).

Figure 5.2. Availability of open budget-, procurement-, election- and lobbying data on the central/federal government one-stop-shop portal for open data



Note: Data is not available for Costa Rica, Hungary, Iceland, Türkiye and the United States. The Figure shows countries who responded yes to the question “On the federal/central government one-stop-shop portal are the following data publicly available (either directly or indirectly)?”. Countries who responded no might still have had the type of data available as open data, but not on a central one-stop-shop portal for open data. Source: OECD Survey on Open Government Data 4.0. Final responses were submitted and validated in 2019.

Digital innovations leveraging data are also being deployed by national and city governments, as well as oversight agencies, to track the financial and physical implementation of public works. Geo-referencing platforms, often developed or used by finance ministries and oversight institutions, has been used to track progress with public investment spending. For example, in Latin America several governments, including Argentina, Colombia, Costa Rica, and Peru, have upgraded their public investment management systems to better track public works and make government contracts transparent. Colombia has developed a mobile application called *Elefantes Blancos*, inviting citizens to monitor neglected, abandoned, or overbilled public works projects.

The relevance of open contracting data has become well recognised for anchoring integrity in the public sector. A wide range of OECD countries have made considerable progress in recent years in leveraging digital tools to open government procurement data, including France, Italy, the Netherlands, Mexico and Colombia (Open Contracting Partnership, 2022^[88]). With public procurement accounting for approximately 12.6% of GDP in OECD countries in 2019 (OECD, 2021^[61]), the publication of such data is an important driver of strengthening transparency but also improving effectiveness of government spending in times of budget constraints and economic slowdown. Even though various OECD countries have made considerable progress in publishing such data, data containing all relevant public procurement information beyond government contracting information are still largely unavailable in many countries worldwide, especially in standardised formats that facilitates its reuse for secondary purposes (Open Contracting Partnership, 2022^[88]). Improving the quality of underlying data is critical for its effective re-use by government entities, oversight agencies and civil society.

Central government bodies (ministries of finance and central government procurement agencies, as well as independent oversight institutions) are increasingly developing integrity analytics tools leveraging open procurement data. Finance ministries, tax authorities, and central procurement agencies are developing and deploying data analytics and artificial intelligence platforms to better monitor public spending by line ministries and subnational governments. Independent oversight agencies such as audit offices and anticorruption agencies are resorting to artificial intelligence robots to red-flag irregularities in government

procurement, in particular at the subnational level. These tools have been particularly useful during the pandemic to uncover anomalies in emergency health spending, as well as to facilitate continued and effective oversight in remote working environments (OECD, 2022^[89]). In Brazil, ALICE (*Analisador de Licitações, Contratos e Editais*, or Bids, Contracts and Public Notices Analyser), deployed by the Office of the Comptroller General of the Union (CGU) and the Federal Court of Accounts (TCU), has been generating a significant positive impact by identifying integrity risks in Brazil and fighting corruption in public procurement at the federal public administration. More than 100 000 procurement notices have been analysed and, between December 2018 and November 2019, 8 bids had been revoked, totalling approximately BRL 3.2 billion. In addition, 14 bids had been suspended due to signs of corruption uncovered by ALICE, totalling BRL 470 million. In 2021, 139 566 bids were assessed, 35 461 notices (OECD, 2022^[90]).

Oversight agencies are teaming-up with govtech start-ups to mine a wealth and diversity of data to uncover suspicious trends and raise red flags. Increasingly, tech-based, data-powered start-ups are seeking social impact partnering with civil society to leverage data against corruption. For example, the French startup Linkurious and the Swedish Neo Technology helped the International Consortium of Investigative Journalists make sense of the trove of data leaked from Panamanian law firm Mossack Fonseca that led to the so-called Panama Papers global scandal. The availability of civic technologies re-using open data has reduced information asymmetries between citizens and governments, and enhanced citizen engagement in public integrity and anti-corruption. Citizens can leverage digital innovations to spot potential irregularities in public services and government contracting, ask questions about complicated bureaucratic processes, and generate and disseminate information on irregularities in the public sector (OECD, 2017^[91]; Bauhr and Grimes, 2013^[92]; GIZ, 2018^[93]).

For example, online reporting and disclosure systems on political financing allow citizens to see donations to political parties and their annual financial reports, and to campaign for finance reporting for both parties and candidates (International IDEA, 2017^[94]). Likewise, mobile applications provide whistle-blowers a safe and anonymous channel to communicate unlawful and unethical activity they encounter at their workplace. Other examples of civic-tech platforms that help monitor and promote transparency and integrity in democratic institutions and representatives include the *Vouli Watch* in Greece or *Parlamer* in Slovenia, the accountability and positioning of elected officials such as the United Kingdom's *Who can I vote for*, or public procurement procedures such as Romania's *Harta Banilor PubliciM*.

Finally, open justice reforms can foster trust in the administration of justice and the justice system itself (Lelièvre, 2017^[95]; OECD, 2022^[96]). The rule of law is central to democracy and trust in institutions. Yet, the OECD Trust Survey indicates that, while citizens' overall trust in the judiciary is relatively high, only about 4 in 10 respondents, on average, believe that a court in their country would make a decision free from political interference or influence (OECD, 2022^[32]). Pro-activeness in publishing relevant open data, while protecting privacy of the affected parties and easy to use self-help tools to triage legal issues, can help reinforce transparency in the administration of justice and inclusive access to justice, as it can support comprehensibility and traceability of judicial decisions and applicable norms (e.g. through using plain language in legal information available online). These strategies empower people and businesses to understand, access and enforce their rights and track the resolution of legal issues. In addition, countries are increasingly developing plain language legal guidance for citizens, such as the United Kingdom's judiciary website "You and the judiciary", which provides clear information and advice in relation to going to court, sentencing, appealing decisions, addressing members of the judiciary and how to make a complaint, including helpful links to needed forms and organisations to turn to for free legal assistance (UK Courts and Tribunals Judiciary, n.d.^[97]).

Digital innovation is central to achieve smarter judicial systems and the digital transformation of judicial systems has quickened its pace in recent years. Many OECD countries, such as Colombia, Latvia, Portugal New Zealand, Spain, and the United Kingdom have embarked on people-centred reforms of the administration of justice, leveraging digital and data solutions to improve transparency, efficiency, and delivery. For example, Portugal has developed a comprehensive digitally-driven program to modernise

its justice sector to make it more transparent, accessible and effective. Recent initiatives include the *Justiça + Próxima* program, the Tribunal+ project and the horizontal project, Simplex+ that are aimed at promoting innovation and user-centred services through the use of digital technologies and data interoperability, complemented by administrative simplification and digitisation (OECD, 2020^[98]). These reforms are aimed at improving the experience of court users through for instance the traceability of cases, reducing the time it takes to hear and resolve matters in a tribunal, and simplifying and standardising processes to improve efficiency.

5.4.2. Leveraging emerging technologies

Emerging technologies can, if tested appropriately and used responsibly, help increase transparency and accountability of government activities. For example, the immutability aspect of Blockchain technology has made it a useful tool for increasing transparency in high-risk transactions, such as property registration and land titling, public contracting, cash transfers, and distribution of aid funds (Berryhill, Bourgerly and Hanson, 2018^[99]). It has also been deployed to counter fraud and prevent corruption in commodity trading, for example in illegal logging that damages the environment or the trading of “blood diamonds” from conflict zones. However, the use of Blockchain technology in the public sector remains limited, and recent research has evidenced that, despite strong interest and greater awareness, blockchain has had minimal impact on the public sector, where few projects have moved beyond small pilots (Lindman et al., 2020^[100]).

When based on good quality data, artificial intelligence technology offers immense opportunities to enhance and automate efforts to identify and predict potential fraud and corruption in a wide range of sectors, such as mapping networks of relations, use of shell companies, off-shore jurisdictions, and banking information of bidders to address potential risks before a contract is issued (OECD/CAF, 2022^[101]). Data analytics for both structured and unstructured data can help experts across a range of disciplines to identify, analyse, and prevent strategic, operational, and reputational risks, including the risk of corruption, fraud, waste and abuse. As mentioned previously, central oversight agencies and independent watchdogs are developing and deploying artificial intelligence tool to better identify suspicious patterns and raise red-flags, in particular in government procurement. For example, government entities responsible for health and unemployment benefits make use of analytics to assess risks and ensure public funds go to their intended beneficiaries, whilst ensuring efficient service delivery. In Spain, the Comptroller General is also using AI and ML models to identify high-risk instances of potential fraud in grant and subsidies programmes (OECD, 2021^[102]).

While there are many benefits of using data and artificial intelligence to improve public services, their use also needs to be transparent, trusted, and proactively mitigating risks. Predictions and performance of algorithms can be constrained and biased by the decisions and values of those who design them, the quality of the training data they use, and their intended goals. Data analytics in the public sector moreover creates complex legal, ethical, and technical issues surrounding data collection, processing, and re-use. As public authorities at all levels of government are increasingly making use of algorithmic decision making to shape and deliver public services, the use of algorithms is itself becoming the new frontier of government fairness, accountability, and also liability. Such use will also need to consistently and proactively reduce the legal, fiscal, and political risks of badly used AI algorithms in the public sector, as illustrated by Netherlands’ recent experience with the use of AI algorithms in social welfare, tax, and other sectors (Box 5.1). As a result, many governments are developing standards for algorithm accountability in the public sector, though, for instance, public registers of algorithms by public agencies, as also mentioned in the next section of this chapter. In 2020, the cities of Amsterdam and Helsinki launched AI registers to detail how they use algorithms to deliver public services. Each algorithm cited in the registry lists datasets used to train a model, a description of how an algorithm is used, how humans utilise the prediction, and how algorithms were assessed for potential bias or risks. The registries also provide citizens a way to monitor the algorithms their local government uses, enabling them to evaluate, examine, or question governments’ application of AI.

Box 5.1. Detecting risks in Dutch public sector algorithms

In 2022, the Dutch Court of Audit found that various government algorithms did not provide sufficient safeguards, exposing the government to various risks. In previous years, two other algorithms were also detected to be infringing legal requirements. The System Risk Indication (SyRI) algorithm system, a legal instrument that the Dutch government used to detect fraud in areas such as benefits, allowances, and taxes, was prohibited after it was found to violate the right to respect private and family life. In another case, the Dutch Data Protection Authority (AP) imposed a fine of 3.7 million euros on the Tax and Customs Administration, finding illegal processing of personal data in the Fraud Signalling Facility (FSV). The FSV acted as a blacklist on which the Tax and Customs Administration kept track of signs of fraud, but it had severe consequences for many of the individuals who were wrongfully listed.

Sources: <https://www.loc.gov/item/global-legal-monitor/2020-03-13/netherlands-court-prohibits-governments-use-of-ai-software-to-detect-welfare-fraud/>; <https://eulawenforcement.com/?p=7941>; <https://autoriteitpersoonsgegevens.nl/nl/nieuws/boete-belastingdienst-voor-zwarte-lijst-fsv>; <https://www.cliffordchance.com/insights/resources/hubs-and-toolkits/talking-tech/en/articles/2022/04/dutch-government-fraud-scandal-leads-to-record-breaking-gdpr-fin.html>; <https://english.rekenkamer.nl/publications/reports/2022/05/18/an-audit-of-9-algorithms-used-by-the-dutch-government>.

5.4.3. Reducing discretion and improving fairness

By digitalising government services end-to-end, governments can increase fairness and equal treatment. The OECD Trust Survey indicates that only 4 out of 10 respondents (39.8%) across OECD countries believe rich and poor people are treated equally by a public employee (OECD, 2022^[32]). Furthermore, only 15 of the surveyed OECD countries has over 50% to 75% of the respondents expecting to be treated fairly in applying for a government benefit or using a public service. Government digital services contribute to standardise and equalise citizens' access to public services – but there is still room for improvement. Fair access to online digital services requires universal access and capacity to use digital channels, to “leave no-one behind”, which is not the case in most countries. This is why governments combine online and offline service channels to ensure universal access. Nevertheless, the digitalisation of back-office administrative processes has significantly improved service delivery. It has also contributed to increase the reliability of governments and can also enhance its responsiveness to users' needs. From the design perspective, embedding the needs and limitations of citizens through a user-centred approach can help producing more accessible and highly usable services, and act as a direct gateway for a wider range of users into the democratic process. These dimensions are central to the forthcoming OECD *Good Practices Principles on Public Service Design and Delivery in the Digital Age*.

The expansion of government services that are directly accessible on-line and end-to-end contributes both to the reliability and integrity of public services. By digitalising public services, governments aim first to improve the effectiveness and efficiency of service delivery, but by limiting discretion, these reforms also reduce red-tape and thus petty corruption (Aiolfi, 2017^[103]). This is especially important in emerging economies for widely-used critical services around people's life events, such as birth certificates, drivers' licenses, construction permits and business licenses – high-impact public services that are particularly vulnerable to bribe solicitation. The digitalisation of government services also reduces information asymmetries between governments and users (citizens and businesses) that often enable corruption (Charoensukmongkol and Moqbel, 2014^[104]; Adam and Fazekas, 2018^[105]). It generates better data on bottlenecks and vulnerabilities in service delivery, critical to improve service quality and user satisfaction.

The digitalisation of government services helps reduce regulatory burden, simplify administrative procedures, and generates important integrity benefits. Reliable, corruption-proof public services contribute, in turn, to increase trust in government and its ability to provide services in a continuous, fair and equal manner. The combination of digitalisation and simplification of bureaucratic procedures tends to improve both their transparency and reliability in the delivery of public services and equalise users' access to administrative services. The automation of bureaucratic processes and decreased reliance on paper cuts discretion and reduces arbitrary interference, making government transactional services less prone to tampering. In particular, digital solutions to pay for public services significantly reduce bribe solicitation risks for citizens and firms.

5.4.4. Way forward

Looking ahead, a number of priorities stand out for governments to consider:

- Intensify efforts to advance the availability, accessibility and re-use of open government data, and ensure the ethical and responsible use of data and artificial intelligence solutions in the public sector;
- Expand the reuse of data and the application of new technologies along the whole policy cycle and in particular by integrity institutions to improve value-for-money, strengthen accountability, and prevent the misuse of public resources;
- Embed open government principles in particular through the generalisation of open budgeting and open contracting practices at all levels of government as well as in state-owned enterprises;
- Reduce discretion and improve fairness in policy making and access to services by designing government digital services that are people-centred and digital by design.

5.5. Refitting public governance for digital democracy: Institutions and legal frameworks

Governments have the primary responsibility to steer the digital transformation in a way that reinforces democracy, establishing governance models and standards that reflect democratic values, enabling the monitoring of compliance, and providing effective remedies when rights are infringed upon. While digitalisation can pose threats to democratic institutions, a more mature digital governance can also leverage it to help re-intermediate and reinforce democratic institutions, when supported by the adequate institutional and governance arrangements as discussed (Berg and Hofmann, 2021^[1]).

To achieve this, governments are adjusting the democratic architecture and strengthening their institutional capacities to better foster digital democracy and mitigate digital risks to democracy. In recent years, governments in OECD democracies have introduced a number of initiatives in that direction. Making the most of the digital transition for democracy requires governments to upgrade and transform public sector institutions, revise normative frameworks and develop new ways of working both domestically and internationally. This section looks at how governments are refitting public governance for digital democracy by adapting existing and creating new i) policy institutions; ii) legal and regulatory frameworks; iii) regulatory bodies and arrangements; iv) forms of international co-ordination.

5.5.1. Policy institutions for digital democracy

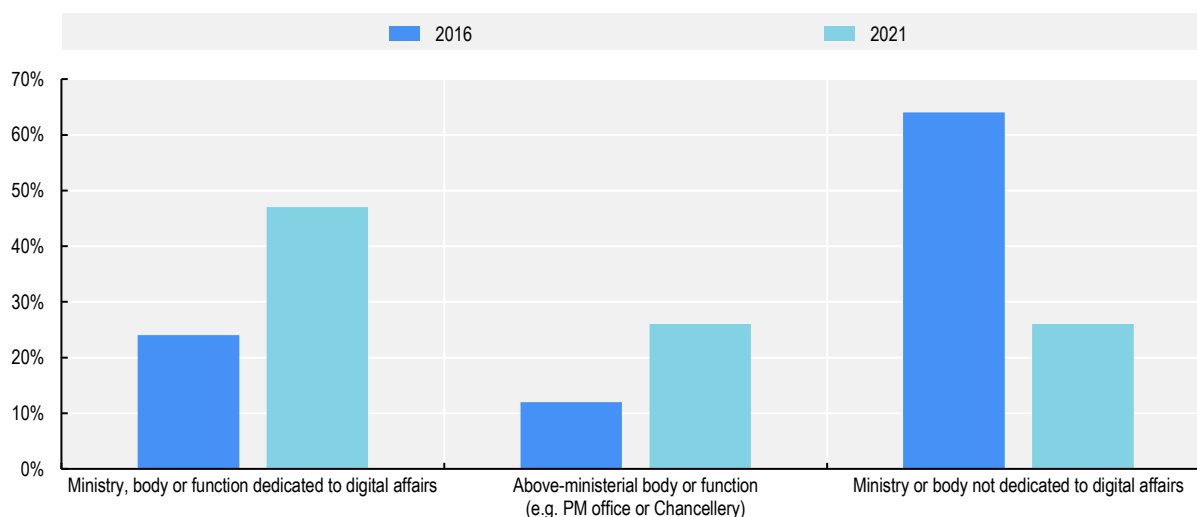
Whatever the choice of institutional model, it is important to ensure the capacity of governments to steer whole-of-government approaches to digitalisation that protect individual and collective rights, promote democratic values and enforce the ethical use of technology across public institutions. Keeping pace with technological advancements and evolving mandates may also require changes to resourcing skills, building institutions' regulatory capacity, and adapting existing institutional set-ups. It also requires making sure the civil service remains fit for purpose (OECD, 2020_[106]; OECD, 2021_[107]; OECD, 2021_[108]), fostering civil servants' empathy for digital inclusion and their awareness on the ethical use of data.

Throughout the OECD and beyond, countries are pursuing different national and international governance models to co-ordinate the design and delivery of policies to enable the digital transition. Responsibilities of existing bodies are being adjusted, or new institutions, roles and functions are beginning to emerge. In many cases adjustments to existing institutional settings are being made to ensure whole-of-government approaches to policy development and enforcement. Centres of government and key line ministries play a critical role in steering and leading on policy design, development and implementation.

Centres of government, in particular, are playing a critical role in setting a national digital strategy and driving its implementation across government. Between 2016 and 2021, the share of countries that allocated the responsibility for developing and overseeing their national digital strategy to a dedicated ministry, body or function increased from 24% to 47% (Gierten and Leshner, 2022_[109]). The share of countries that allocate this responsibility to their centre of government (presidency or prime minister's office) or an above-ministerial function (e.g. a deputy prime minister) has also increased markedly, from 12% to 26% (Figure 5.3) (Gierten and Leshner, 2022_[109]). In Spain, the Vice Presidency of Economic Affairs and Digital Transformation plays a pivotal role in the development and deployment of digital transformation strategies. In the United States, the White House Office of Science and Technology Policy (OSTP) advises the President and appoints innovative officers such as the Chief Tech Officer and the Chief Data Scientist.

Figure 5.3. Allocation of responsibility for developing the country's national digital strategy

% of countries by allocation of responsibility for strategy development, 2016 and 2021



Source: Gierten and Leshner (2022_[109]), "Assessing national digital strategies and their governance", *OECD Digital Economy Papers*, No. 324, OECD Publishing, Paris, <https://doi.org/10.1787/baffceca-en>.

The strengthening of governments' central steering functions has also focused on the most influential technologies or policy concerns. The governance of AI provides a good example. France co-ordinates AI policy implementation from within the Prime Minister's Office, while Colombia set up an AI Task Force in the Presidency. In the United States, the White House Office of Science and Technology Policy oversees the United States' national AI strategy. Similarly, in order to ensure the ethical use of data as part of the whole-of-government digital transformation agenda, Ireland's Chief Information Officer has taken a leading role in establishing and co-ordinating the activities of a Data Governance Board designed to support the drafting and implementation of the Data Governance Act across the whole public sector.

The acceleration of digital transformation has required the strengthening and adjustment of the central steering and co-ordination functions to ensure whole-of-government alignment, including at times through dedicated ministries. Countries have established inter-ministerial co-ordination committees to ensure coherence across policy areas and created positions of chief digital officers and chief data officers in the centre of government to steer whole-of-government approaches. Some countries such as Greece, Luxembourg, and Norway have gone further and created dedicated ministries for digitalisation and established or strengthened autonomous government agencies responsible for digital transformation, such as Australia, Denmark, Italy, Japan, and Sweden. These mechanisms are designed to strengthen synergies and foster whole-of-government approaches to digitalisation.

While the lead on strategy, policy development and design rests largely on centres of government and key line ministries, several countries have also set-up specialised advisory bodies, which incorporates advice in support of democracy. Examples include Germany's Data Ethics Commission, the Data Ethics Advisory Group in New Zealand, the UK's Centre for Data Ethics and Innovation, and the Singapore's Advisory Council on the Ethical Use of AI and Data. In the United Kingdom, the *Centre for Data Ethics and Innovation* (CDEI), a government advisory body, is working with government and external actors to understand public attitudes towards the use of data and AI, and the values that citizens want reflected in models of data and AI governance.²¹ Some countries also report more detailed monitoring assessments of the implementation of their AI strategies and policies, including information such as budgets, funding, and specific targets. In addition, several countries have established AI observatories to oversee the implementation of national AI strategies and policies at the national or subnational levels. For example, the German Labour Ministry launched the KI-Observatorium; Quebec's International Observatory on the Social Impacts of Artificial and Digital Intelligence; France's Observatory on the Economic and Social Impact of Artificial Intelligence; the Italian Observatory on Artificial Intelligence; and the Czech Republic's AI Observatory and Forum.

5.5.2. Legal and regulatory frameworks for digital democracy

As the pace of digital transformation accelerates, OECD countries are adapting their legal and regulatory frameworks to digital complexity. At the top level, this entails ensuring that their legal frameworks are fit to harness the opportunities and challenges that the digital age brings for the protection of fundamental rights and fundamental pillars of democracy (Box 5.2). This trend is part of a debate on digital rights being led under the purview of the OECD Committee on Digital Economy Policy (CDEP).

Box 5.2. Protecting fundamental rights in the digital era

In some OECD countries constitutions provisions reaffirm democratic rights in the digital space, for instance around human dignity, privacy and data protection. Legislation has also gradually evolved in the same direction. In 2014, Brazil became the first country to pass a Civil Rights Framework for the Internet (Marco Civil da Internet) into law, to protect internet privacy, free expression, and net neutrality. In Spain, the 2022 Integral Law for Equal Treatment and Non-Discrimination contains the first regulation on the use of AI by public administrations to prevent discrimination. Similarly, in 2021, Portugal approved a Charter of Human Rights in the Digital Era enshrined into law. Often, these laws and regulation follow the adoption by countries of non-binding international instruments reaffirming their commitment to guaranteeing civil and political rights in the digital era.

Regulation at the regional level is also emerging to set common standards. In particular, in the EU current wave of digital regulation includes the European Digital Markets Act (DMA), the Digital Services Act (DSA) and the Artificial Intelligence (AI) Act. They all incorporate new principles and mechanisms for protecting fundamental rights in the digital sphere. In 2020, the European Council presented a draft Charter of Fundamental Rights in the Context of Artificial Intelligence and Digital Change, to anchor the EU's fundamental values and advance rights-based approaches to digitalisation. Similarly, in January 2022, the European Commission tabled a proposal for a European Declaration on Digital Rights and Principles for the Digital Decade to ensure that the EU's values and citizens' rights guaranteed by EU's law are respected and upheld both offline and online. The draft declaration covers key principles for the digital transformation, such as fostering participation in the digital public space, supporting inclusion, and increasing citizen empowerment.

Source: Author's own elaboration

At the same time, policy specific laws and regulation remain a key lever for governments to face the digital age. For this to take place governments need to ensure that their legal and regulatory frameworks are fit to face the challenges brought by digital technologies, including on how they are designed, implemented, and enforced.

To ensure that regulations meet their desired objectives and overcome the challenges presented by the digital transition, regulatory practice must be underpinned by the necessary principles, mechanisms and institutions (OECD, 2012_[110]). At the same time, governments need to embed long-standing principles of better regulation in their responses to digital markets and services. These include ensuring that regulatory responses are proportional, risk-based and do not over-burden economic actors. Their design should be based on an assessment of impact as well as non-regulatory options, and an inclusive consultation of stakeholders. A sound regulatory framework also needs to measure the effectiveness of the government response.

The pace and scope of the digital transition may call for an even more ambitious approach to regulating. Moving away from a 'set and forget' approach to rule-making, governments will need to propose more adaptive, flexible and iterative assessment cycles, constant monitoring of regulations (i.e. *ex post* evaluation), and continuous stakeholder engagement, adaptive, iterative, and flexible regulatory assessment cycles, as per the *OECD Recommendation on Agile Regulatory Governance to Harness Innovation* (OECD, 2012_[110]; OECD, 2021_[108]). The goal will be to create regulatory frameworks that are agile enough to accommodate innovations and ensure that rules don't become outdated, irrelevant, or an undue burden on public and private actors.

Developing policy standards and guidelines is especially relevant for public sector use of emerging technologies in particular artificial intelligence. Some countries are developing and deploying specific ethical standards to this effect, aimed at allowing the public to better understand and monitor the use and functioning of algorithms and data by government agencies.²² In the United States, for example, the National AI Initiative Act of 2020 provides an integrated framework to co-ordinate the development and deployment of AI, both in the public and private sectors.²³ Through Executive Order 13960 of 2020, the United States has established guidelines for promoting the use of trustworthy AI across the federal government. In France, the 2016 *Digital Republic Law* mandates transparency of public algorithms that compels public agencies to publicly list the main decision-making algorithmic tools and to publish their rules. More recently, in New Zealand, the government adopted a set of *Principles for the Safe and Effective use of Data and Analytics* in 2019 to guide government agency practices and increase confidence in how government agencies use algorithms²⁴ and in 2020, released the *Algorithm Charter for Aotearoa New Zealand* as an evolving guidance on the use of algorithms by government agencies. In the United Kingdom, the *Data Ethics Framework* and the *Service Manual*²⁵ provide guidance for teams across government to make an appropriate and responsible use of data and AI and build and manage user centred services to enhance digital inclusion and improve equitable access.

Open public registers and *ex ante* impact assessments can help national and local governments implement transparency standards and increase public confidence about the use of algorithms. York, Amsterdam, and Helsinki have created open registries of algorithms used by municipal authorities. *Ex ante* assessments of the potential impact of algorithm on civil rights is also a tool being developed by democratic governments to mitigate risks. The Netherlands, for example, the *Fundamental Rights and Algorithms Impact Assessment* adopted in 2021 is a tool for public institutions considering developing or purchasing an algorithmic system that requires them to assess the likely impact of the use of algorithms on specific human rights. Similarly, Canada's *Algorithmic Impact Assessment (AIA)* developed in 2022 helps determine potential impacts of an automation project on individuals and communities, including rights and freedoms.

Finally, allowing citizens to prove their identity online, claim their rights, and exercise their duties is central to democracy. This suggests a central role for government-led digital identity (Box 5.3).

Box 5.3. Digital identity as an important enabler

Securing universal access to digital identification and authentication is a critical institutional enabler to reinforce democracy in the digital age. With the caveat of having the right safeguards for privacy and security, the role of digital identity in allowing citizens to prove their identity online, claim their rights, and exercise their duties is central to democracy. It is also required to foster equal access to both offline and online services, ensuring equal treatment and digital inclusion. For example, digital identity can provide easier and more inclusive ways to access health services, open a bank account, or claim access to government benefits while ensuring high levels of trust in those interactions and transactions.

For marginalised groups and communities that may lack analogue proofs of legal identity, new technologies and means for identity registration, identification, and authentication may be used to help these individuals be included faster in society. For example, in **India**, the rollout of the national digital identity number Aadhaar proved to be an efficient way to support the world's largest democracy in facilitating the delivery of social benefits payments to eligible citizens amidst the COVID-19 pandemic, while simultaneously reducing risks of fraud (Sengupta, 2022^[111]). On March 30, 2020, the Indian government recorded the highest number of transactions of a single day in the public financial management system, largely driven by the direct benefit transfers enabled by Aadhaar.

While there are vast opportunities for digital identity to support digital inclusion, there are also certain risks of full reliance on digital identity affecting inclusion negatively. This is especially the case when some groups in society prefer analogue channels, or a combination of analogue and digital channels, which remains the case in most countries - even those with high digital maturity and digital identity adoption.

Collaborating around a common understanding and set of principles on the “management of digital identity as a service” can help empower citizens to move more freely, to more easily access different services, and to be able to take more control over their personal data also across borders. If designed and delivered right, digital Identity may enable citizens to prove who they are and their possession of specific attributes, improving their local and international democratic engagement.

Since 2017, the OECD Working Party of Digital Government Officials has been mapping practices, challenges and opportunities for developing digital identity domestically and for achieving cross-border mutual recognition of national digital identities and credentials. Given that the 38 OECD member countries all follow common democratic principles, such as the right to privacy, freedom of expression, and freedom of movement, they are particularly fit to agree on what makes digital identity successful in terms of supporting democracy, and how the process for cross-border mutual recognition of digital identity can be designed and delivered while maintaining or even strengthening the implementation of democratic principles.

The OECD also works with other international fora to support international collaboration on digital identity that aligns with democratic principles, including with the G20, through the Digital Economy Task Force - that the OECD assisted through the development of the G20 Collection of Digital Identity Practices (G20, 2021^[112]; OECD, 2021^[113]).

5.5.3. Regulatory and oversight bodies for digital democracy

Regulatory agencies are at the delivery end of the policy cycle and play an increasingly important role in delivering digital policy objectives as well as being tasked with regulating the complex digital sphere. From a democracy perspective, regulatory authorities are increasingly at the forefront of ensuring greater democratic control, state sovereignty, and oversight over digital platforms (e.g. social media, e-commerce platforms) and the mitigation of systemic risks such as manipulation or disinformation.

Ensuring that regulators are effective in the digital sphere is raising important issues in terms of the **mandate and powers** of regulatory agencies, their **capacity** to deliver their functions, and well as how they **co-ordinate** with other public authorities.

- **Mandate and powers:** For many regulatory authorities, regulating the digital sphere and digital platforms will require a new or significantly expanded mandate. For example, until recently, many digital activities and platforms had not been subject to external regulation or fell between regulatory siloes. New mandates will need to be matched with appropriate powers – most notably powers for data collection and publication – to ensure that regulators can deliver on their new role.
- **Capacity:** The capacity of regulators to deliver effectively is multidimensional. Regulators’ workforces need to have the right skills and knowledge to keep pace with rapidly evolving technologies and business models, bolstering their expertise in fields beyond traditional regulator profiles, from data science and cybersecurity to cloud computing, algorithms and more. Funding arrangements will determine whether regulators have adequate financial resources to carry out their functions effectively. The ability to access and process data and information from digital platforms will also underpin the success of regulatory implementation.
- **Co-ordination between public authorities:** Regulating the digital sphere and digital platforms raise concerns in several regimes concurrently, meaning that any individual regulator will need to

have a broad view of the multiple issues at stake to avoid issues falling between regulatory siloes. For example, in the competition area, “non-traditional concerns” such as privacy, consumer protection or misleading information are entering into competition investigations and decisions. Regulatory co-operation between different jurisdictions will also be needed both for regulatory coherence and for effective enforcement, given the cross-border nature of digital platforms.

While some of the challenges posed by the digital transition may be novel, long-standing democratic principles and good practices in terms of the governance of regulatory agencies remain as valid as ever. Lessons learned on role clarity, independence, transparency and accountability, stakeholder engagement, and resourcing can be applied to the regulatory institutions and systems that governments are putting in place today. Good governance provides the bedrock for impartial, evidence based-decision making that builds trust in public institutions. The OECD’s Network of Economic Regulators brings a decade of accumulated experience in discussing and examining the governance and performance of regulators to together define what makes a world class regulator.

Different governance arrangements are emerging in response to these issues. For example, when it comes to digital platforms, countries are following various paths. Many jurisdictions are opting for a statutory regulator over self-regulation.²⁶ Statutory regulation introduces an independent, impartial and accountable regulatory and adjudication regime and empowers an authority that has long experience in balancing different fundamental freedoms and rights. A number of countries have *leveraged existing independent regulatory authorities*. For example, many communication and broadcasting regulators have responsibility for the delivery of several policy objectives that are relevant to digital democracy.²⁷ An OECD survey showed that communication regulators have taken on at least partial responsibility for digital security (65% of those surveyed), privacy (53% of those surveyed) and online platforms (40% of those surveyed).²⁸ For example, the UK’s communication regulator Ofcom already has responsibility for regulating video-sharing platforms and is now preparing to take on a new role in regulating online safety more broadly. The regulator is considering how its existing toolkit of regulatory techniques and approaches will need to be adapted to meet the challenges ahead (OFCOM, 2021^[114]). In Germany, the 2021 Act to Regulate Data Protection and Privacy in Telecommunications and Telemedia clarified the role of the multisector regulator Bundesnetzagentur (BNetzA), which includes responsibilities on enforcement regarding data and privacy protection in online services.

In other cases, countries have *merged authorities to exploit synergies*. For example, France merged the Supreme Authority for the Distribution and Protection of Intellectual Property on the Internet (HADOPI) and the Audio-Visual Council (CSA) in order to create the Audio-Visual and Digital Communications Regulatory Authority (Arcom).

Additionally, several countries are considering the establishment of a new type of regulatory body to tackle digital issues in a holistic manner. This reform, in turn, raises questions on how the new body would interact with existing regulators with responsibilities in relevant fields, such as content regulation.

In some policy areas, responsibility for regulatory delivery and enforcement may be shared between several institutions. In the area of the regulation of artificial intelligence, the **United Kingdom** is laying the groundwork for its future model of AI regulation along with its new Data Protection and Digital Information Bill. Unlike the EU’s approach, in which enforcement of the AI Act falls with a single national regulator in each member state, the United Kingdom plans to give responsibility to several of them: the UK communications regulator (OFCOM), the Competition and Markets Authority (CMA), the Information Commissioner’s Office (ICO), the Financial Conduct Authority (FCA) and the Medicines and Healthcare products Regulatory Agency (MHRA) are on the list. Some of them could see their competences and powers updated.

In other areas, the specific roles and responsibilities of authorities are still to be defined. For example, in the EU, discussions are underway on how national authorities should or should not increase their functions and how they will co-ordinate with the future agencies in charge of the implementation of the European digital market regulation architecture articulated in the Data Act, Digital Markets Act, Digital Services Act, Data Governance Act and AI act.

Governments are also exploring *more formalised cross-sectoral co-operation among regulators* given that digitalisation cuts across a number of regulatory regimes, including communications, data, content, financial services, consumer protection and competition (OECD, forthcoming_[115]; OECD, 2021_[108]; OECD, 2021_[116]). Notable examples include the United Kingdom's Digital Regulation Co-operation Forum (DRCF),²⁹ the Dutch Digital Regulation Co-operation Platform,³⁰ and the joint guidance on big data regulation and platforms developed by three Italian regulators.³¹ Such structures go beyond mere information sharing and can include pooling of expertise and resources, reporting on results and mutual support to enforcement procedures. In a first case involving a digital platform, the UK's DRCF is helping balance privacy and competition concerns, for example. The European Union's Digital Services Act legislative proposal provides for a co-operation and co-ordination mechanism for the supervision of the obligations it imposes on online services and platforms (European Commission, 2020_[117]).

Importantly, without adequate co-ordination across borders, regulatory initiatives that focus solely on the domestic level risk undermining the effectiveness of regulators and regulatory regimes reducing the benefits for democratic societies. In particular, regulators are confronted with major asymmetries of information when dealing with digital platforms and their algorithm driven business models. Regulatory enforcement is challenged by the transboundary nature of platforms and the uncertainty around liability from digital platforms to individual market participants. Moreover, the pace and scope of innovation in these markets often renders traditional boundaries and existing governance regimes outdated. Most national regulators are not empowered to regulate digital platforms and lack adequate institutional capacity and resources to do so. Furthermore, several of these enforcement challenges are also faced by courts and other actors in the judicial system (Box 5.4). Multi-dimensional challenges ranging from competition to data protection to content moderation require wide reaching co-ordination at both the national and global level as well as clarity of roles across government agencies and actors. Broader international co-operation is covered in more depth in the following section.

Box 5.4. Justice administration and law enforcement in the digital age

An effective rule of law and justice system plays a crucial role in protecting and enforcing rights in the digital sphere, including new emerging rights and obligations prompted by digital transformation. The constant development of new technologies and related regulations pose challenges for the judiciary to learn and adapt in order to fairly adjudicate party interests in this area. On the other hand, the accessibility of the justice system is a key determinant of the ability of people to bring forward their claims and uphold their rights. Therefore, efficient and effective justice systems able to channel claims in a timely manner to sustain citizen trust in courts in the face of digital transformation, coupled with enhancements to the overall accessibility and efficiency of the system, can be key levers to protect rights.

The courts themselves and justice systems more broadly are increasingly leveraging digital technologies to make judicial administration more efficient, transparent and user-centred. The digitalisation of justice administration has accelerated in recent years, especially to maintain access to justice in the wake of pandemic restrictions. In this context, the responsible and ethical use of new technologies by the courts themselves is also paramount to guaranteeing trust in the judiciary and the right to due process and to a fair trial. For instance, challenges have been reported in OECD countries concerning the needed balance between the right to a public hearing, which in a digital format may mean broadcasting court sessions, and the potential negative impacts that trial streaming may have on some parties, especially victims, witnesses and the accused (OECD, 2020^[118]).

Courts increasingly use algorithms to analyse large datasets to make predictions, which can prompt efficiency gains but has also raised concerns of bias and lack of transparency. Risks to the right to non-discrimination have been raised in relation to AI systems used in crime prevention and judicial proceedings in particular. The main challenges created by AI-based predictions are related to bias resulting from originally biased datasets (for instance, those containing a majority of accused defendants from particular ethnicities or neighbourhoods) and lack of transparency of the process and reasoning followed to reach the decision (Reiling, 2020^[119]). Similarly, law enforcement agencies increasingly use predictive policing through algorithmic processing of historical crime data and other sources to reveal patterns of criminal activity and identify targets for police intervention (Lander and Nelson, 2021^[120]; AlgorithmWatch, 2020^[121]; Gonzalez Fuster, 2020^[122]; Wilson, 2018^[123]; Perry, 2013^[124]).

As a result, algorithmic risk assessments are increasingly being used in law enforcement and justice administration. Several regulatory authorities are advancing a set of rules, principles and guidance to regulate AI platforms in judicial systems. For example, the European Ethical Charter on the use of Artificial Intelligence in Judicial Systems of the European Commission for the Efficiency of Justice (CEPEJ) provides a set of principles to be used by legislators, law professionals and policymakers when working with AI/ML tools.

In addition to regulatory bodies, oversight of enforcement in the public sector has also been strengthened to make institutions fitter for the digital age. Independent oversight institutions are taking an increasingly active role in the monitoring of government digitalisation and the protection of citizen rights. Through the *ex post* auditing of government use of digital technologies, Supreme Audit Institutions (SAIs) can play an important role in enforcing compliance with standards and contributing to refine them, for example by ensuring compliance with guiding principles and ethical rules in the use of digital innovations and artificial intelligence by public agencies. Furthermore, SAIs themselves are increasingly relying on data analytics and artificial intelligence tools to perform their oversight functions more effectively.

This new, emerging role goes beyond audit agencies' traditional oversight role in terms of legal and financial compliance, to include compliance with ethical principles in the deployment of digital innovations and the responsible use of algorithms by government agencies. In 2020, the SAIs of Finland, Germany,

the Netherlands, Norway, and the United Kingdom put forward a white paper for public auditor on auditing machine learning algorithms.³² In 2021, the US Government Accountability Office (GAO) developed an AI Accountability Framework to ensure responsible use of AI in government programs and processes.³³ In 2021, the Netherlands Court of Audit developed an audit framework for assessing whether algorithms meet quality criteria³⁴ applied to investigate the Dutch government's use of algorithms, arguing that such use requires better scrutiny and stronger safeguards (especially when outsourced). In 2022, it audited 9 government algorithms and found that 6 of those did not comply with basic requirements and exposed the government to various risks, from inadequate control over the algorithm's exposure to bias, data leaks, and unauthorised access in particularly sensitive policy areas such as justice, policing, migration, and identity (Box 5.1).

Ombudsman offices are taking a more active role in the defence of citizen rights in the digital era. In Finland, for example, in 2017 the Non-Discrimination Ombudsman, which supervises compliance with non-discrimination provisions in the use of artificial intelligence and algorithms, took a case concerning automated decision-making in bank lending to the National Non-Discrimination and Equality Tribunal. The Tribunal concluded that the practice was discriminatory and imposed a conditional fine on the party found guilty of discrimination.³⁵

5.5.4. International co-operation for digital democracy

The standards, norms, and regulations governing digital are on the frontlines in the contest for technological supremacy between democracies and autocracies. Data - and its governance - is thus a geostrategic asset and informs the development of new technologies and artificial intelligence.

Some regions and like-minded groups of countries have promoted common approaches to digital transformation based on shared values. Global approaches have been advanced through various settings. Many on-going initiatives reflect the need to promote international co-operation and global convergence among like-minded countries on actions, standards and principles to better align digital transformation with democratic values while strengthening democratic institutions and digital sovereignty.³⁶ This will help not only avoid unnecessary barriers slowing down progress and the benefits of digital technology, but also will avoid regulatory fragmentation.

An increasing number of countries, mainly democracies, are mainstreaming digital diplomacy in their foreign policy, establishing “tech ambassadors” whose mandate originally focused on cybersecurity to include a mandate for engaging the tech industry in Silicon Valley and, more recently, promote rights-based approaches to digital development. Whilst adopting different models and having diverse mandates, Australia, Denmark, Estonia, France, the United Kingdom, Germany, Brazil, have created tech ambassadors. In November 2020, Switzerland adopted its first Digital Foreign Policy Strategy for the period 2021–24 overseen by an ambassador for digital affairs. In July 2022, the EU announced it will establish a tech envoy to Silicon Valley, in line with the European Council's conclusion on digital diplomacy.

To enhance global co-operation, like-minded countries have created platforms for collaboration and special initiatives on “digital democracy”, among which, for example:

- The Digital Nations is an international forum founded in 2014 of leading digital governments to harness the potential global power of digital technology for better government and services. It currently comprises 10 governments (Estonia, Israel, Korea, New Zealand, UK, Canada, Uruguay, Mexico, Portugal, and Denmark). Participating governments are connected by public governance principles of user needs, open standards, open source, open government, and digital inclusion, enshrined in its founding charter updated in 2021. For example, in 2018, it endorsed a common approach to the responsible use of artificial intelligence in government services, based on the principles of transparency, accountability, and procedural fairness.

- The Agile Nations Network, established in 2020 to foster global co-operation on rulemaking in response to innovation and enhance international co-operation to improve the resilience and readiness of governments for the future in key transnational policy areas such as data assets, financial transaction technology and green-tech. Currently chaired by the UAE, it comprises 7 governments (Canada, Denmark, Italy, Japan, Singapore, UAE, and UK).
- In December 2021, the US-led global Summit for Democracy discussed the challenges and opportunities facing democracies in the digital era.³⁷ It provided an opportunity to build global consensus on a positive vision of digital democracy - including through International Grand Challenges on Democracy-Affirming Technologies - and international co-operation to counter “digital authoritarianism.”³⁸ Participating governments announced a wide range of commitments in support of democratic renewal that included commitments to invest in the development, use, and governance of technology that advances democracy and human rights. The follow-up Summit for Democracy in 2023 will provide an important opportunity to advance this initiative.
- The Danish-led initiative on “Tech for Democracy”, launched in November 2021 provides a platform for multi-stakeholder dialogue on technology for democracy and human rights, bringing together governments, multilateral organisations, tech industry and civil society.³⁹
- In the area of artificial intelligence, the Global Partnership on AI (GPAI)⁴⁰ is a multi-stakeholder and inter-governmental alliance of 25 members developed in 2020 that aims to deliver on the shared commitment to the *OECD Recommendation of the Council on Artificial Intelligence* and support cutting-edge research and applied activities on AI-related priorities, including in the public sector.
- The private sector, including tech industries, are also launching initiatives aimed at promoting democracy-enhancing initiatives as part of the tech4good movement. For example, Microsoft Democracy Forward initiative aims “to protect open and secure democratic processes and preserve access to trusted journalism to help build a healthier information ecosystem.” In terms of elections, for example, it aims to protect the security of critical electoral institutions, the integrity of elections, and open-source elections software.

At the global level, in 2020 the United Nations adopted a Roadmap for Digital Cooperation that seeks to advance a rights-based approach to digital transformation embedded in rights and trust. In September 2021, it released a report on *Our Common Future* that proposes a *Global Digital Compact* to be agreed at the Summit of the Future in September 2023. This Compact is expected to “outline shared principles for an open, free and secure digital future for all”. Acknowledging the importance of technology as a fundamental global issue, the UN Secretary General appointed in 2021 a UN Envoy on Technology.

Governments can also co-operate to advance global digital public goods and share digital public infrastructure for a fairer digital transition (United Nations, General Assembly, 2020_[125]). The OECD 2021 Global Development Cooperation Report *Shaping a Just Digital Transformation* (OECD, 2021_[126]) outlines the many global and regional initiatives in that direction, including:

- The Global Public Goods Alliance and the Digital Impact Alliance, are multi-stakeholder initiatives to accelerate the attainment of the sustainable development goals in low- and middle-income countries by facilitating development and use of digital public goods, enabling countries to build safe, trusted, and inclusive digital public infrastructure at scale.
- The GovStack initiative aims at accelerating digital transformation in developing countries by developing and sharing foundational building blocks of digital government through open-source solutions for identification, registration and payments systems.
- The EU is considering a European Initiative for Digital Commons.⁴¹ Digital commons are non-rivalrous and non-exclusive digital resources defined by shared production, maintenance and governance. The initiative seeks to promote digital commons and open-source software and encourage their use within European institutions and Member States’ public services.

Many international policy commitments and standards have emerged that aim to reaffirm and reinforce the democratic values underpinning digital transformation. The EU Tallinn, Berlin and Lisbon Declarations on digital democracy; G7 Digital and Tech Ministerial declaration of 2021; and the G20 Digital Ministerial Declaration of 2021 all reflect the increased awareness of the need to promote international co-operation and global convergence among like-minded countries on actions, standards and principles that can advance common approaches to digital transformation based on shared values and can make democratic institutions more fit for the digital age (see Chapter 3).

Similarly, some regions, or like-minded groups of countries, have set common principles or rules through multilateral organisations to address the transnational nature of digitalisation.

- The OECD, under the purview of its Committee on Digital Economy Policy (CEDP), has developed a number of ground-breaking principles over time. In the case of artificial intelligence, the OECD AI Principles adopted in 2019 have been endorsed by 46 governments.⁴² They include 5 principles to ensure that AI systems are trustworthy and human-centric and respect democratic values and human rights, in both the private and public sectors. They are accompanied by 5 policy recommendations that policy makers should consider to foster thriving artificial intelligence ecosystems that respect human rights and democratic values. The OECD *Good Practice Principles for Data Ethics in the Public Sector* (OECD, 2021_[127]) were also developed to support the ethical use of data in government services.
- The European Union (EU) has developed a set of guidelines⁴³ and is working towards a risk-based framework, the AI Act that would demand some additional checks for “high risk” uses of artificial intelligence that can produce the most potential harm to people, including uses in the public sector (e.g. recruiting people, grading in schools, helping judges make decisions).
- The Council of Europe has long worked towards an application of new technologies based on human rights, the rule of law and democracy, in line with the European Convention on Human Rights. In 2019, its Committee of Ministers adopted a Declaration on the manipulative capabilities of algorithmic processes and, in 2020, a Recommendation on the human rights impacts of algorithmic systems.
- At a global level, UNESCO’s General Conference adopted the *Recommendation on the Ethics of Artificial Intelligence* in November 2021,⁴⁴ a global standard containing relevant principles guided by ethical values. It is aimed at assisting States and non-State actors in the formulation of instruments to promote artificial intelligence for human dignity and the prevention of harm.

The mismatch between the primarily national nature of democratic guarantees and the global challenges of digital transformation requires closing the gap in multilateral digital governance. In terms of global regulatory co-operation, for example, the 2022 *OECD Recommendation of the Council on International Regulatory Co-operation to Tackle Global Challenges* intends to support governments in this transition. To reinforce digital democracy, the *Recommendation of the Council for Agile Regulatory Governance to Harness Innovation* of 2021 invites governments to consider the broad “international innovation ecosystem” and also lay the “institutional foundations to enable co-operation and joined-up approaches, both within and across jurisdictions” (OECD, 2021_[108]).

Looking ahead, two priorities stand out to ensure effective international regulatory co-operation. It will be key to reduce loopholes resulting from the fragmented international normative landscape and give greater visibility to the breadth of standards that already exist in relation to digital governance and ensure their implementation. Taken as a whole, the diverse and dynamic “international innovation ecosystem” described above has the potential of being flexible and agile in responding to the complex challenges posed by digitalisation, as long as there is true co-ordination and complementarity.

5.5.5. Way forward

Several priorities stand out for like-minded OECD governments to strengthen public governance in support of democracy in the digital age:

- Consider the need for the upgrading and adjusting mandates, functions and resources of policy, regulatory and oversight bodies to ensure they have the appropriate capacity to design and implement standards for democracy-enhancing digital transformation.
- Foster international regulatory co-operation to reduce gaps and close loopholes resulting from the fragmented international normative landscape and give greater visibility to emerging standards on digital governance.
- Invest in digitally-enabled democratic innovation through the diverse and dynamic international innovation ecosystem that has the potential of being flexible and agile responses to the complex challenges posed by digitalisation for democracy.

An Action Plan to support the transformation of public governance for digital democracy will be developed by the OECD Public Governance Committee in due course (see www.oecd.org/governance/reinforcing-democracy/).

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Notes

¹ Civil and political rights are a class of rights that protect individuals’ freedom from infringement by governments, private actors, and social organisations. They ensure one’s entitlement to participate in the civil and political life of society and the state without discrimination or repression, and, as such, are the foundations of democracy. Unlike other rights concepts, such as human rights and natural rights, in which people acquire rights inherently, civil and political rights must be given and guaranteed by the power of the state. Civil rights include the ensuring of peoples’ physical and mental integrity, life, and safety; protection from discrimination on grounds such as sex, race, sexual orientation, national origin, colour, age, political affiliation, ethnicity, social class, religion, and disability; and individual rights such as privacy and the freedom of thought, speech, religion, press, assembly, and movement. Political rights include procedural fairness in law, such as the rights of the accused, including the right to a fair trial; due process; the right to seek redress or a legal remedy; and rights of participation in civil society and politics, such as freedom of association, the right to assemble, the right to petition, the right of self-defence, and the right to vote. Civil and political rights form the original and main part of international human rights of the 1948 Universal Declaration of Human Rights and the 1966 International Covenant on Civil and Political Rights. Sources: (Wikipedia, 2022^[130]) and (Sieghart, 1985^[129]).

² <https://e-estonia.com/solutions/e-governance/e-democracy/>

³ <https://rk2019.valimised.ee/en/voting-result/voting-result-main.html>

⁴ A cyber threat is a threat actor, using the internet, who takes advantage of a known vulnerability in a product for the purposes of exploiting a network and the information the network carries.

⁵ Malicious software designed to infiltrate or damage a computer system, without the owner’s consent. Common forms of malware include computer viruses, worms, Trojans, spyware, and adware.

⁶ <https://cyber.gc.ca/en/guidance/cyber-threats-elections#defn-malware>

⁷ Democracy theory often refers to the key concept of “loyal opposition” as a foundation for liberal democracy based on the principles of political competition and of reasonable disagreement in democratic settings. It refers to the behaviour of the political opposition and minority parties whose opposition to the party in power is constructive, responsible, and bounded by loyalty to fundamental interests and principles of democracy enshrined in the constitution (Waldron, 2016^[131]).

⁸ https://v-dem.net/data_analysis/VariableGraph/

⁹ Similarly, nearly all participants in a British programme for aspiring women leaders noted that they had witnessed sexist abuse of female politicians online. UNGA, 2018, https://www.un.org/en/ga/search/view_doc.asp?symbol=A/73/301

¹⁰ <https://petition.parliament.uk/>

¹¹ See, for instance, <https://participa.gov.pt/base/home> and <https://participa.pt/>. Portugal also developed Consulta LEX, a platform for public consultations on legislation and the formulation of suggestions (<https://www.consultalex.gov.pt/>).

¹² On public interest technology, see the special issue of the Stanford Social Innovation Review on *Putting the Public Interest in Front of Technology* available here: <https://ssir.org/putting-the-public-interest-in-front-of-technology> and (McGuinness and Schank, 2021^[128]).

¹³ <https://bogota.gov.co/yo-participo>

¹⁴ <https://decidim.org/es/usedby/>

¹⁵ <https://www.coe.int/en/web/education/competences-for-democratic-culture>

¹⁶ <https://scvo.scot/p/36175/2020/03/19/no-one-left-behind-digital-scotland-covid-19>

¹⁷ <https://digitalparticipation.scot/charter>

¹⁸ <https://www.cncs.gov.pt/pt/cursos-e-learning/>

¹⁹ <https://www.integritywatch.eu/>

²⁰ These include for instance the Open Government Partnership, the Open Contracting Initiative, the Infrastructure Transparency Initiative, the International Budget Partnership, the Global Initiative on Fiscal Transparency or the Extractive Industries Transparency Initiative.

²¹ <https://www.gov.uk/government/organisations/centre-for-data-ethics-and-innovation/about>

²² Scandals such as those related to the benefits fraud algorithms in the Netherlands and the exam grading algorithms in the United Kingdom, have heightened public interest about the use of algorithms in public decision-making and the importance of increasing transparency and accountability in government algorithms. In the Netherlands, the *System Risk Indication*, a risk-profiling system designed by the Ministry of Social Affairs to process large amounts of data collected by various public authorities to identify those most likely to commit benefits fraud, was declared illegal by the District Court of the Hague in 2020. The Court argued that that right to privacy prevails over fight against alleged benefits fraud.

²³ www.ai.gov

²⁴ <https://data.govt.nz/toolkit/data-ethics/government-algorithm-transparency-and-accountability/>

²⁵ <https://www.gov.uk/service-manual>

²⁶ In other sphere related to the digital transition, different approaches are being taken. For example, in Europe, privacy legislation is enforced by public authorities, while in the United States enforcement falls mainly to the private sector and self-regulation.

²⁷ 15 out of 38 OECD countries have a converged communication and broadcasting regulator.

²⁸ OECD survey carried out in 2021 by the WPCISP. Percentages refer to OECD countries, Brazil and Singapore as reported in the forthcoming report “Communication Regulators of the Future” (OECD, forthcoming^[115]).

²⁹ Formed in 2020, the DRFC comprises the Competition and Markets Authority (CMA), the Information Commissioner's Office (ICO), the communications regulator (Ofcom) and the Financial Conduct Authority (FCA).

³⁰ The Dutch Digital Regulation Co-operation Platform was formed in 2021, comprises the Netherlands Authority for Consumers and Markets (ACM), the Dutch Data Protection Authority (AP), the Dutch Authority for Financial Markets (AFM) and the Dutch Media Authority (CvdM).

³¹ The Italian Telecommunications Authority, the Competition Authority and the Data Protection Authority published 'Guidelines and policy recommendations for Big Data' (see <https://www.garanteprivacy.it/home/docweb/-/docweb-display/docweb/9123073>).

³² <https://www.auditingalgorithms.net/>

³³ <https://www.gao.gov/products/gao-21-519sp>

³⁴ <https://www.rekenkamer.nl/onderwerpen/algorithmes/algorithmes-toetsingskader/>

³⁵ See <https://rm.coe.int/fin-the-report-of-the-non-discrimination-ombudsman-to-the-parliament/16808b7cd2> and https://www.yvttk.fi/material/attachments/ytalk/tapausselosteet/45LI2c6dD/YVTI_tk-tapausseloste-21.3.2018-luotto-moniperusteinen_syrjinta-S-en_2.pdf

³⁶ See for instance:

[https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/651992/EPRS_BRI\(2020\)651992_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/651992/EPRS_BRI(2020)651992_EN.pdf)

³⁷ <https://www.state.gov/summit-for-democracy/>

³⁸ On "digital authoritarianism," see for example <https://freedomhouse.org/report/freedom-net/2018/rise-digital-authoritarianism>

³⁹ <https://techfordemocracy.dk/watch-now/>

⁴⁰ <https://www.gpai.ai/>

⁴¹ <https://www.diplomatie.gouv.fr/en/french-foreign-policy/digital-diplomacy/news/article/joint-statement-by-the-ministry-for-europe-and-foreign-affairs-and-the-state>

⁴² <https://oecd.ai/en/ai-principles> and an in-depth case study in <https://oecd-opsi.org/wp-content/uploads/2019/11/AI-Report-Online.pdf>

⁴³ <https://op.europa.eu/en/publication-detail/-/publication/d3988569-0434-11ea-8c1f-01aa75ed71a1>

⁴⁴ <https://en.unesco.org/artificial-intelligence/ethics#drafttext>

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