Government at a Glance 2023

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Foreword

Governments have entered an era of multiple crises, characterised by numerous, consecutive shocks that have threatened economic resilience, security and wellbeing worldwide. The sources of these crises range from political instability and geopolitical tensions, to economic downturns, energy crises and public health emergencies, such as the COVID-19 pandemic. They are also confronted with structural challenges such as aging populations and managing the twin green and digital transitions, which will require deep structural changes to economies and societies.

While many governments are taking advantage of the opportunities provided by rapid modernisation, in particular digitalisation, they also face a number of worrying trends, including the rise of political polarisation, the growing prevalence of dis-mis information and increasing disenchantment with traditional democratic processes. This is leading governments to increasingly focus on strengthening democratic resilience and reinforcing trust in public institutions, which is only slightly higher on average than it was following the global financial crisis.

At this critical juncture, OECD member and accession countries met at the November 2022 meeting of the OECD Public Governance Committee at Ministerial Level on "Building Trust and Reinforcing Democracy" and launched the OECD's Reinforcing Democracy Initiative (RDI). Through the RDI, countries committed to a broad set of actions to respond to some of the key governance challenges to democracy and public trust, including combatting dis/mis information; strengthening representation, participation and openness in public life; gearing up government to deliver on climate; transforming public governance for digital democracy; and embracing the global responsibilities of governments and building resilience to foreign influence.

Evidence will be key to monitoring progress on these commitments. This eighth edition of Government at a Glance contributes to this evidence-base, featuring internationally comparative data on a range of public governance, tools and practices to help identify both strengths and weaknesses in democratic governance. The Focus Chapter "Build, reinforce, protect: Democratic resilience in an age of multiple crises" underscores three main ways that governments can work towards this goal, and was presented as a background paper to the 2023 Ministerial Council Meeting (MCM).

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The members of the OECD Public Governance Committee and the Government at a Glance Steering Group (listed in Annex H) provided guidance to the publication and substantial comments to the drafts. Many of the indicators included in *Government at a Glance* reflect the measurement of OECD principles and recommendations developed with the Public Governance Committee (PGC), the Committee of Regulatory Policy (RPC) and the Committee of Senior Budget Officials (SBO). These indicators are collected through OECD surveys to government officials developed in co-operation with the PGC, the RPC, the SBO, the Working Party on Public Employment and Management, the Working Party of Senior Public Integrity Officers, the Working Party of Senior Digital Government Officials (E-Leaders), the Senior Infrastructure and Public Private Partnerships (PPP) and the Working Party of the Leading Practitioners on Public Procurement.

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Executive Summary: Key facts and data

In recent years, multiple, consecutive shocks have threatened economic resilience and wellbeing worldwide. Governments in OECD countries - and democratic systems- have been at the centre of responding to these crises. While countries have generally responded at scale and speed, in the context of multiple crises this is unlikely to be sufficient. Governments need to adopt more advanced practices to build trust and enhance democratic resilience to better weather the challenges they face. Actions include to i) Build on democratic strengths such as citizen and stakeholder participation and representation, inclusion, and innovation; ii) Reinforce key governance competencies to support delivery in the context of multiple crises; and iii) Protect against active threats to public trust arising from failings in public integrity and mis- or disinformation.

Multiple crises can reduce democratic resilience by undermining trust in public institutions

- Across 22 OECD countries surveyed, just over four in ten people (41%) indicate high or moderately high trust in national government in 2021. Trust is evenly split: 41% indicate low or no trust in national government. During the COVID-19 pandemic in 2021, trust levels varied substantially but did not plummet as drastically as following the financial crisis in 2008. On average it took about a decade for public trust to recover from the 2008 crisis across OECD countries.
- In OECD countries, people tend to view public institutions as reliable, and are broadly content with public services. Around two-thirds of respondents are satisfied with their health care system (68%), education system (67%) and with administrative services (63%). More than half of respondents on average across 22 OECD surveyed countries trust their government to use their personal data only for legitimate purposes (51%). A majority of people (67%) are satisfied with access to information on administrative procedures and about half (49%) with government preparedness to tackle a future crisis.
- Few people see their government as responsive to their needs and wants, and say it falls short of their expectations on participation and representation. On average, less than half of respondents (40%) expect that their government would improve a poorly performing service or implement an innovative idea (38%). Only 30% of people feel they can have a voice on what the government does.
- Public perceptions of government integrity are also an issue, 48% of people on average expect that a high-level political official would grant a political favour in exchange for the prospect of a well-paid private sector job.

Governments must better harness their strengths in participation and inclusion

- There is a wide margin to improve participatory decision making. More than four in ten respondents (43%) across 22 OECD countries say it is unlikely that government would adopt opinions expressed in a public consultation. More advanced mechanisms for participation are needed. While 27 of 29 OECD countries had a central office to provide support to public institutions on how to consult citizens and stakeholders in 2020, participatory practices are still often implemented on an ad hoc basis.
- All OECD countries engage stakeholders in the development of laws and regulations. Similarly, 33 OECD countries (87%) have put in place mechanisms for stakeholder participation in infrastructure projects. However, there is room to improve transparency and oversight. Only 6 and 4 countries, respectively, announce all forthcoming consultations on laws or on regulations, before they begin and only 17 out of 33 countries give stakeholders a role in oversight and monitoring of infrastructure projects.
- Governments are seeking to improve inclusiveness, including for example through gender budgeting. In 2022, 23 out of 38 OECD countries had applied gender budgeting, representing an increase since 2016 and 2018 when only 12 and 17 respectively applied it. However, most countries lag on accountability and impact assessment of gender budgeting.
- Despite progress made over recent years, women and young people remain underrepresented in politics and public institutions. In 2021, women held only 36% of ministerial positions on average in OECD countries. The share of women in senior positions grew in most countries between 2011 and 2021 from 33% on average in OECD-EU countries to 41% in 2021, yet still below gender parity. People aged 20–39-year represent 34% of voting age populations across OECD countries, but the percentage of young members of parliament was 23% in 2022.

Governments must reinforce key competencies to handle crises

- Preserving the resilience of public finances is key to respond to unexpected expenditures and finance structural environmental and societal transformations. After stark deterioration due to the COVID-19 pandemic, there are some positive signs in public finances, but the recovery remains fragile. From a low point in 2020 (-10.2% of GDP), the average general government fiscal deficit in OECD countries diminished to -7.5% of GDP in 2021; and to -3.5% of GDP on average in OECD-EU countries in 2022.
- Budgeting management processes can help address the climate crisis and achieve environmental goals. While there has been a rapid increase in the number of countries implementing green budgeting mechanisms, from 14 countries in 2021 to 24 in 2022, green budgeting could be used more effectively by further involving civil society and parliaments in monitoring and ensuring oversight.
- Public procurement can also help achieve the green transition. Most OECD countries (32 out of 34) have introduced public procurement strategies, policies or frameworks to ensure purchasing of less environmentally harmful products and services, but only 38% of countries regularly report on the impact of green public procurement. A similar trend is observed in other sectors; around two-thirds countries, for which data are available (17 out of 27), require a climate impact assessment to estimate the potential emissions of transport infrastructure projects, although only 12 countries systematically use the results to select or prioritise projects.

- Mobility of civil servants within administrations can be a cornerstone to build capacity, innovation and enhance resilience of public workforce. Despite these benefits, in 2022, mobility of civil servants was mandatory or expected in only 3 out of 35 OECD countries, recommended or encouraged in 11 countries, and possible but not encouraged in 21 countries.

Governments must protect against risks arising from corruption, lack of integrity, and mis- and disinformation

- Many OECD countries lack the full safeguards to prevent corruption in lobbying, political finance and conflict-of-interest situations. On average across 29 OECD countries, only 12 have a publicly available lobbying register. In 14 OECD countries, political parties and campaigns are prohibited by law from receiving anonymous donations or financial contributions from enterprises and foreign states, and all contributions need to be registered; while 5 countries do not impose any type of bans or registering obligations. Finally, disclosure of private interests is required across all three branches of government in 17 out of 29 OECD countries.
- Strengthening information integrity has become particularly complex in the digital age. Artificial Intelligence (AI) provides enormous opportunities, including in expanding and protecting the exercise of some democratic rights and freedoms; however, its use also brings challenges for governments such as ensuring that it enhances people's willingness and ability to engage constructively in democratic life and that it benefits society. In 2022, 16 out of 30 OECD countries (53%) have laws or regulations to ensure the ethical use of AI, while 12 countries (40%) have introduced as guidelines, standards or principles.

Chapter 1

Build, reinforce and protect: Democratic resilience in an era of multiple crises

Over many decades democratic governance has proven itself to be the best institutional system for protecting and promoting individual rights and freedoms while allowing long-term sustainable gains in wellbeing. At the OECD Ministerial on "Building Trust and Reinforcing Democracy" in November 2022, ministers and high-level representatives from the 38 OECD countries, the European Union, as well as some OECD accession countries re-affirmed that "democracy remains the system of government best placed to ensure inclusive, prosperous, sustainable and peaceful societies through constant self-assessment and self-improvement." (OECD, 2022[1])

In recent years, democracies have faced a series of shocks, and challenges to economic and democratic resilience. Russia's unprovoked war of aggression against Ukraine and the global COVID-19 pandemic have had substantial effects on public welfare in OECD countries. These came after many countries had already experienced prolonged periods of social, political and economic stress as societies worked through the long tail of effects from the global financial crisis of 2009. In OECD countries, governments and democratic systems have been at the centre of the response to these crises. In many cases, they have remained resilient and effective, working at scale and speed to contain and then reverse the effects of the COVID-19 pandemic (OECD, 2021[2]) and to respond to Russia's war against Ukraine and the resulting economic effects in 2022, including rising prices.

However, as countries fight to emerge from the largest health, economic and social crises in decades and prepare for the current and future environmental challenges, the public in OECD countries are evenly split between people who trust their national government and those who do not (OECD, 2022[3])**, only slightly better than in the aftermath of the global financial crisis.** Low voter turnout, rising numbers of citizens dissociating themselves from traditional democratic processes, increasing mis- and disinformation, and greater political polarisation are undermining democratic resilience and the ability of governments to prepare for and respond to external shocks. OECD Ministers have already stressed that "in the current socioeconomic, climate, digital and geopolitical environment, the democratic model of government needs to be both deepened and protected." (OECD, 2022[1]) In particular, they highlighted the parallel trends of increased uncertainty and crisis events, alongside challenges to democracy from within and outside, emphasising the need to invest in strengthening our democracies as well as our economic and social policy responses.

Maintaining democratic resilience is key to continued sustainable long-term gains in wellbeing. In its strictest sense, democratic resilience means preventing democracies from becoming undemocratic. However, it also refers to maintaining high-quality institutions ensuring representative government and participatory engagement, respect for fundamental rights, checks on government, and the support of an impartial administration. Trust in public institutions is particularly important for democratic resilience. In democracies, trust levels naturally fluctuate. It is the continuous search for trust which guarantees that democratic governments continuously improve, allows stable business conditions, prevents corruption, ensures the credibility of systems of international rules, thus fostering innovation and sustainable business investment. In return, long-term low levels of trust, dissatisfaction

with public institutions and political polarisation can undermine governments' capacity to implement needed structural reforms. To support growth and continue to make our societies and economies stronger, fairer and more resilient to shocks sound public governance and trust are needed to implement the ambitious combination of currently required climate, energy, macroeconomic, trade, tax, social, and education policies (OECD, 2022[4]). They will contribute to the wider acceptance of policies, smarter and better-targeted public spending and investments, more effective structural reforms, more inclusive dialogue leading to policies and services that are more responsive to needs, and the efficient and fair use of public resources.

The management of multiple overlapping crises creates specific challenges for maintaining democratic resilience. Democracies operate using a complex system of checks and balances to promote debate, aggregate interests, identify which solutions have broad support and transparently review how public institutions are delivering. In addition to supporting fundamental rights, democracies deliver because they do more to understand and balance the needs of the public than any other form of government, and because governments are held accountable for delivering. However, their complexity can make them slower to operate, and allows various points of potential failure. Crises can undermine democracies through exactly these channels. On the one hand, the need for rapid responses can reduce participation in public life and the exercise of civil liberties. This can lead the public to experience a loss of "voice" and to disassociate from democratic processes. On the other hand, failing to rapidly or effectively respond to a crisis can undermine perceptions of the competence and values of public institutions. Uneven recovery can exacerbate feelings of being excluded or "left behind". Moreover, in an open society, crises can create fertile ground for the spread of mis- and disinformation, and for malicious actors to gain undue influence. All of these failings can undermine trust in democratic institutions and turn people towards alternative models of government. These often appeal by promising to deliver more quickly, or by offering simple solutions to complex policy challenges. Populism, nationalism and autocratic tendencies thrive during crises.

Risks to democratic resilience from crises and shocks are unlikely to dissipate. More frequent shocks can be expected in an interconnected world with major environmental challenges. Countries are already facing an energy crisis and the existential climate crisis. They also face issues such as ageing populations and new technologies, which involve deep structural societal changes. Moreover, recent shocks have demonstrated how, in an interconnected world, events can cascade, generating major and unexpected effects on economies, democracies and public welfare.

OECD countries have already committed to a broad set of actions to respond to some of the key governance challenges to democracy as part of an ongoing agenda. The Luxembourg Declaration on Building Trust and Reinforcing Democracy presents a way forward for OECD countries to work together to build trust and reinforce democracy. It is based on five pillars: 1) combatting misinformation and disinformation; 2) enhancing participation, representation and openness; 3) embracing the global responsibilities of public institutions; 4) governing green; and 5) transforming public governance for digital democracy (OECD, 2022[1]). The OECD Reinforcing Democracy initiative has further defined the main challenges to governments in the current environment and the way forward (OECD, 2022[5]).

This chapter proposes how governments can best strengthen democratic resilience in the context of multiple crises, safeguarding our democracies for the long term. The section that follows outlines how overlapping crises risk undermining perceptions of competence

and values on which public trust in democratic government is based. While acknowledging that each country has a unique set of historical, political and institutional circumstances, the next section then explores three dimensions for action: 1) **Build** on democratic strengths in participation and representation, inclusion, innovation and co-operation; 2) **Reinforce** the key governance competencies needed to support delivery in the context of multiple crisis; and 3) **Protect** against active threats to public trust arising from failings in public integrity and mis- or disinformation. Addressed jointly, these will work to reinforce our democracies in the face of crises and ensure that we leave healthy democracies for future generations.

Democratic governance in an uncertain world

An era of multiple crises

Many OECD countries have faced significant shocks to social and economic stability in recent years. The first edition of Government at a Glance was published in 2009, in the closing stages of the global financial crisis. The very first focus chapter laid out priority areas for public governance reform as governments recovered from the crisis and steered back towards a more stable and predictable operating environment. However, 2009 did not mark the point of return to business as usual. Rather, it marked the point of departure into an era punctuated by multiple crises, which have tended to unfold with increasing intensity ever since.

The global financial crisis created major economic shocks in many OECD countries, with significant knock-on effects for the economic and social outcomes the public experienced. Many OECD countries experienced major recessions, followed by years of budget consolidation and low growth (IMF, 2018[6]) and, in a number of cases, periods of stagnant or falling living standards. In 2020, the world experienced the largest crisis since World War 2 with the outbreak of the COVID-19 pandemic. The pandemic caused economic activity to contract in 90% of countries, and the world economy to shrink by about 3% (World Bank, 2022[7]). This has been swiftly followed by Russia's large-scale invasion of Ukraine in 2022. The invasion has led to a massive energy price shock, a surge in inflation to levels not experienced since the 1970s and a fall in living standards in many OECD countries (OECD, 2022[4]). Although more positive signs have now started to appear, global growth is still projected to remain below trend in 2023 and 2024. Inflation is projected to moderate gradually, but to remain elevated until the second half of 2024 in most countries (OECD, 2023[8]).

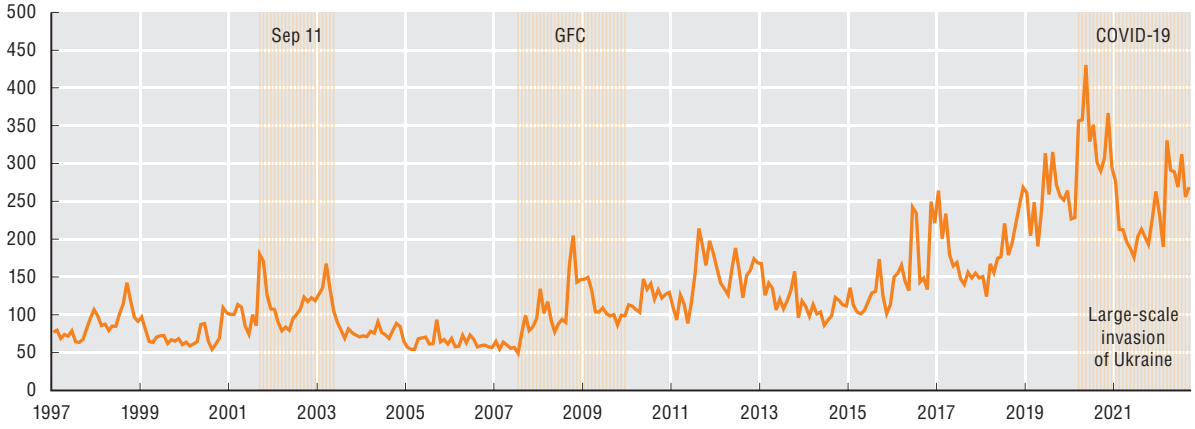
Figure 1.1 graphs perceptions of the unfolding and historically unusual levels of disruption, volatility and uncertainty experienced since 2009, using the Global Economic Policy Uncertainty Index. This index examines the intensity of media discussion of policy-related economic uncertainty in 20 major economies, primarily OECD countries, and shows substantive jumps during high-profile disruptions. More importantly, as the figure shows, there has been an upward trend in discussions of uncertainty since 2009, as multiple and increasingly overlapping crises and shocks took place.

Regular crises are now likely to be a continuing feature, rather than a transitory phenomenon. Ongoing and linked crises are likely to become a structural element of governments' operating environment (Tooze, 2022[9]). Global heating is increasing both the probability and intensity of natural disasters. The frequency of climate- and weather-related disasters (e.g. droughts, storms, cyclones, hurricanes, typhoons and extreme temperatures) nearly quadrupled from the 1970s to the 2010s. Hydrological disasters (e.g. floods) were six times more frequent globally in the 2000s than the 1970s (FAO, 2021[10]). Recent findings

suggest that many climate "tipping points" can be crossed, with a considerably higher probability and at much lower levels of heating than previously assumed, and are an imminent threat (OECD, 2022[11]). Economic and technological change may create shocks to economic security, especially for the most vulnerable: 14% of existing jobs could disappear as a result of automation in the next 15-20 years, and 32% are likely to change radically as tasks are automated (OECD, 2019[12]). Workers with poor digital skills may find it more difficult to shift to non-automatable, higher value-added tasks within their occupations (Georgieff and Hyee, 2021[13]). These shifts will occur in societies where many households already have limited ability to withstand economic uncertainty. Inequality in OECD countries is now at its highest level for the past half century (OECD, 2023[14]). More than one-third of households in OECD countries are at risk of falling into poverty (OECD, 2020[15]).

Figure 1.1. **Perceptions of global economic policy uncertainty have increased since 2009**

Global Economic Policy Uncertainty Index



Note: The Global Economic Policy Uncertainty Index is a standardised measure that quantifies countries' newspaper coverage of policy-related economic uncertainty. The Global Economic Policy Uncertainty Index is a GDP-weighted average of 20 national indices: Australia, Brazil, Canada, Chile, China, France, Germany, Greece, India, Ireland, Italy, Japan, Mexico, the Netherlands, Russia, South Korea, Spain, Sweden, the United Kingdom and the United States. Each national index is normalised to a mean of 100 before calculating the global index as the GDP-weighted average of monthly national indices. For additional details, including an analysis of the performance of the model, see Baker, Bloom and Davis (2016[16]).

Source: Global Economic Policy Uncertainty Index: Current Price Adjusted GDP [GEPUCURRENT], retrieved from FRED, Federal Reserve Bank of St. Louis, 2 December 2022, *https://fred.stlouisfed.org/series/GEPUCURRENT*.

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When shocks occur, they are more likely than before to have cascading and unexpected consequences. The world has developed high level of interconnectedness of economies, trade, finance, populations and information flows. Highly connected and open economies and societies have brought very substantial benefits for the public's economic welfare and life opportunities. However, a side-effect of high inter-connectedness can be that when shocks or crises arise, they can have cascading effects, sometimes in rapid and unexpected ways. Disturbances and changes in one area can quickly affect others through both known and unexpected connections, in unforeseen ways. For example, disruptions in a single sector of the economy, even if individually small, may lead to substantially larger aggregate shocks (Acemoglu et al., 2012[17]). This may be within one country or across countries. In the worst case, the combination of interconnectivity and unpredictability can lead to rapid, cascading, multiple failures (Hynes et al., 2020[18]). This "cascade" effect has been a prominent feature of both the GFC (Haldane, 2013[19]) and the COVID-19 pandemic (Hynes et al., 2020[18]).

Unfortunately, cascading and unpredictable effects may increasingly become a feature of the climate crisis. The effects of climate change can cause individual disasters to cascade into social and economic outcomes (OECD, 2022[11]). Once crossed, major large-scale tipping points can have biophysical impacts on ecosystems, water and food systems. These cause socio-economic impacts, including on livelihoods and health, which in turn can potentially induce political and social instability (Franzke et al., 2022[20]; Black et al., 2022[21]).

Governments also face constraints on their ability to address future shocks, due to the accrued effects ("scarring") from past crises. Many states built up high levels of public debt to finance their response to the COVID-19 pandemic, which are now constraining their ability to finance large and unexpected crisis responses in future (Chapter 11). Operating under multiple crises for an extended period also takes its toll in more subtle ways, such as "burnout" of public officials and workers (Sciepura and Linos, 2020[22]), or a loss of focus on strategic priorities (Laybourn, Throp and Sherman, 2023[23]). This is partly offset by lessons learned from past crises that have improved some aspects of government capabilities, such as the skillset of public servants, crisis management procedures or relevant regulations. The overall effect will thus depend on the characteristics of future crises, and the quality of learning from past ones.

Crises, trust and democratic resilience

Multiple or recurrent crises can reduce democratic resilience by undermining trust in public institutions. In democratic countries, trust is a key indicator of how people perceive the quality of, and how they associate with, public institutions. It is a key barometer of perceptions of public institutions in democracies for two reasons. First, accurate measures of trust are possible in democracies because, unlike in autocracies, the public have freedom to report whether they trust their government. Second, democracies are characterised by transparent review of the performance of public institutions and open debate on policy.

Trust in democratic public institutions is driven by two complementary components: competence and values. Competence means having the ability, capacity and good judgement required to deliver on a given mandate. Public institutions must demonstrate competence by being responsive to the needs of the public and reliable in assessing evolving challenges, minimising uncertainties and implementing future-oriented policies. Values are the underlying intentions and principles that guide governments' actions. To be trusted, public institutions must demonstrate their values by being seen to be work with openness: providing information; consulting, listening and responding to stakeholders; and ensuring everyone has equal opportunity to effectively participate in the institutions of representative democracy. They must work with integrity, by aligning with ethical values, principles and norms to safeguard the public interest, and with fairness, by improving living conditions for all and providing consistent treatment regardless of people's backgrounds or characteristics (Brezzi et al., 2021[24]).

Crises can weaken trust in public institutions by undermining perceptions of the values of public institutions. This effect is seen most dramatically when expediency in the face of an emergency leads to the suspension of standards for consultation, transparency, oversight and even civil liberties. During COVID-19, emergency measures translated into extensive law-making powers for the executive in most OECD members, sometimes with limited or almost no external or parliamentary scrutiny (OECD, 2022[25]). Even if reversed, measures of this kind may pose risks for public perceptions of the values of public institutions. Crises

can also create conditions in which self-interested and corrupt actors, and malicious actors actively seeking to undermine governments in democratic countries, can exploit loopholes in public integrity standards to engage in corruption and gain undue influence.

Crises can also undermine public trust by undermining perceptions of competence. Crisis response and recovery requires solving complex and often unexpected problems at speed. These are prime conditions for creating policy failures, or uneven or ineffective responses, with knock-on effects for trust in institutions in democracies where difficulties for governments to deliver come fast into the open. Government reliability in protecting the public from economic shocks has a direct impact on trust in public institutions. The level of trust in public institutions among those who feel they are in a financially precarious situation (34.6%) is much lower than among people with fewer financial worries (51.2%) (OECD, 2022[3]). More broadly, In several recent crises, public expectations about future economic prospects have been shown to affect overall satisfaction with democracy (De Simone et al., 2021[26]; Devine, 2019[27]).

Trust in public institutions has been relatively resilient across the OECD during recent crises, including COVID-19. After the financial crisis of 2009, trust fell to a low ebb in 2012. While confidence in national governments followed different trends in different OECD countries over the last 15 years, the data indicate it took about a decade on average for public trust to recover from the 2009 crisis. In contrast, while trust levels varied substantially across OECD countries during the COVID-19 pandemic, the overall average in 2021 had not fallen (Figure 2.3).

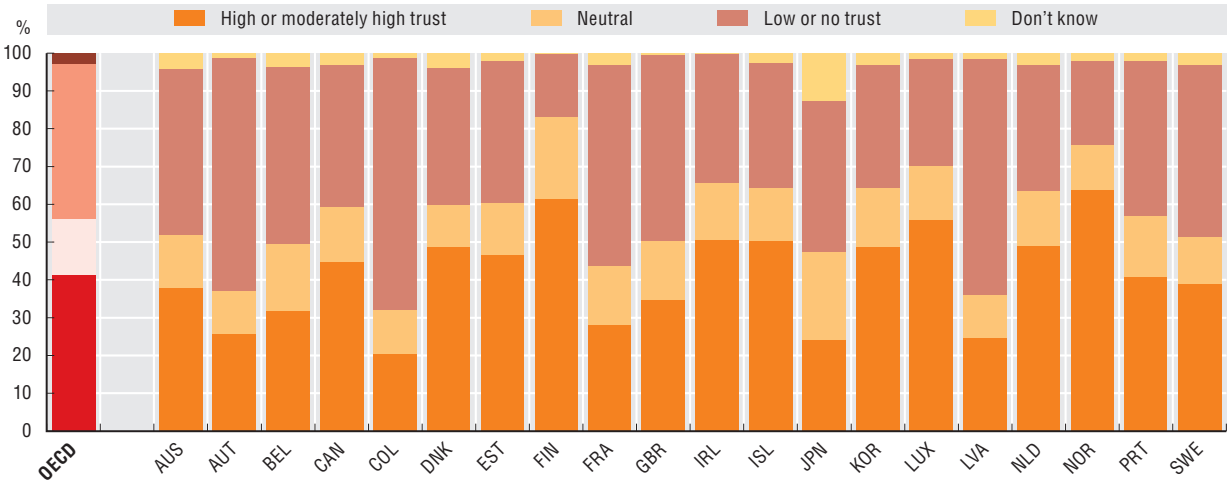
Nonetheless, just over four in ten people indicate high or moderately high trust in their national government. In 2021, the first OECD Survey on Drivers of Trust in Public Institutions found that only about four in ten respondents (41.4%), on average, reported trusting their national government highly or moderately (Figure 1.2). Moreover, there are significant differences in trust levels across population groups. Across OECD countries, women, young people and those with lower levels of education and income report less trust in government (Figure 2.2). Differences in trust in public institutions are reinforced by underlying inequalities in society, and not all groups view government as working well for them.

Levels of trust also vary widely across countries and institutions. Law and order institutions are on average the most trusted. Half of respondents (50.2%), on average, say they trust the civil service highly or moderately. Slightly less than half (46.9%) say they trust their local government highly or moderately (Figure 2.1).

In OECD countries, people tend to view public institutions as reliable, and are broadly content with public services. Chapter 3 examines satisfaction with public services. Most people in OECD countries report being satisfied with their healthcare system (68%, Figure 3.2), their education system (67%, Figure 3.2) and with administrative services provided by their governments (63%, Figure 3.3). Moreover, most OECD countries are performing reasonably well in public perceptions of government reliability, i.e. its ability to anticipate people's needs and minimise economic, social and political uncertainty. Notably, in the context of the COVID-19 crisis, only one-third are concerned that their government would not be prepared for a future pandemic (OECD, 2022[3]). People also tend to trust government with their data and believe that it is likely to only use that data for legitimate purposes (Figure 2.5). Perceptions of the reliability of public institutions are key determinants of trust in the government and the civil service (Figure 2.4).

Figure 1.2. **Just over four in ten people indicate high or moderately high trust in their national government**

Share of respondents who indicate different levels of trust in their national government (on a 0-10 scale), 2021



Note: Figure presents the within-country distributions of 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 the national government?" The OECD Trust Survey aggregates 11-point response scales as follows: 0-4 = Low / unlikely; 5 = Neutral; 6-10 = High / likely. Don't know is a separate category. Mexico and New Zealand are excluded from the figure as the question "on trust in national government" is not asked. "OECD" presents the unweighted average across countries. For more detailed information, please find the survey method document at *http://oe.cd/trust*.

Source: OECD Trust Survey (*http://oe.cd/trust*) (OECD, 2022[3]).

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However, many express concerns about responsiveness, openness and integrity in government. Few people see their government as responsive to their needs and wants, and say it falls short of their expectations on participation, representation and public integrity. On average, less than half of respondents expect that their government would improve a poorly performing service, implement an innovative idea or change a national policy in response to public demands. Fewer than one-third believe that the government would adopt opinions expressed in a public consultation (OECD, 2022[3]). In open feedback, many people raised issues of ''corruption", 'influence" and ''power" as factors behind low trust in public institutions (OECD, 2023[28]). The feeling of having a political voice is a key driver of trust in public institutions across national and local government and the civil service. On average, trust in the government among people who feel they have a say in the political system is 43 percentage points higher than among those who feel they do not (Figure 2.2).

Risks to democratic resilience are real: globally, the extent and quality of democracy has fallen over the past decade or more. Papada and colleagues (2023[29]) estimate that, since around 2012, the degree of democracy enjoyed by the average global citizen has deteriorated to levels experienced in 1986, before the collapse of the Soviet Union and the wave of democratisation in the 1990s. Freedom House (2023[30]) estimates that the number of countries with falling standards of democracy has been greater than the number with improving standards for each of the past 17 years. Similarly, International IDEA (2022[31]) suggests that the number of countries moving towards authoritarianism in 2022 was more than double the number moving towards democracy.

Democratic standards have typically altered little in most OECD countries (Papada et al., 2023[29]). However, in an interconnected world, no country is fully insulated from risks to democratic resilience, which are also apparent in OECD countries. A recent study of 20 mainly

OECD countries found that 48% of respondents were not satisfied with how democracy was working in their country (Pew Research Center, 2022[32]). In the broadest sense, public support for democracy is an important determinant of its resilience (Claassen, 2019[33]). Aspects of public governance which influence trust in public institutions can also influence satisfaction with democracy (Dahlberg and Holmberg, 2013[34]). Failures in democratic governance are a key route through which the quality of democracy can fall over time (Diamond, 2020[35]).

Supporting democratic resilience

To safeguard democratic resilience in the multi-crises environment, governments must take decisive steps to support trust in public institutions over the long-term. Democracies, characterised by checks and balances, are in a competition of ideas with governance models which advocate apparently quicker or simpler ways of responding to crises. Governments cannot safeguard economic and democratic resilience solely by relying on contingency planning and occasional exceptional responses. Governments must put in place public governance processes and standards which will help to systematically maintain and improve trust in institutions in a crisis environment. Action now is an investment in cementing democratic resilience for the long-term and for future generations. Key dimensions for action are shown in Figure 1.3.

Figure 1.3. **Dimensions for action to support democratic resilience**

Source: OECD Illustration.

First, OECD countries should **build on democratic strengths** to drive demonstrably better outcomes for the public, in particular on the major challenges of addressing the climate and biodiversity crises. This means making greater use of citizens' voices to build solid consensus, particularly by using more advanced participation and representation tools; ensuring all groups in society are included; harnessing openness, innovation, learning and adaptability to seek solutions in an evolving environment; and building international co-operation so countries can mutually support each other. Importantly, it means better institutionalising these capabilities, to ensure they work effectively and rapidly to support decision making in a fast-moving environment. Second, governments should **reinforce key competencies to handle crises**. This means enhancing coherence, prioritisation and foresight in setting policy; maintaining resilient public finances, supply chains and infrastructure; and building flexible capacity, resources and skills in the public sector. Finally, governments must **protect against threats to democratic values** and public perceptions of their values. This includes maintaining effective public integrity rules and countering actors seeking to use crises to gain undue or malign influence, combatting mis- and dis-information, and defining how crisis-induced exceptions to public governance standards are managed.

The data in Government at a Glance 2023 shows that all OECD countries can improve on these areas. Governments must be ready to take further action.

Governing better on green, gender and the next generation are cross-cutting priorities. One of the most effective actions governments can take to support democratic resilience is to address the climate crisis. This will help to mitigate some of the shocks which may pose a risk to democratic resilience. The OECD has recently published its advice on using governance tools and processes to address the climate crisis (OECD, 2022[5]). Key aspects are steering and building consensus and trust for delivering green in the next decade, using the right tools for climate and environmental action, and building a greener and more resilient public sector. As such, this topic has been mainstreamed in Government at a Glance 2023 and data on the green aspects of relevant government processes have been included in many of the chapters that follow.

As noted above and in chapter 2, it is also clear that groups including young people, women, and those with more precarious economic circumstances are less likely to view government as working well for them. As such, public governance processes to support inclusion and the needs of diverse groups in society are foregrounded throughout this chapter, and Government at a glance 2023. Addressing the needs of young people in particular is critical to cementing long-term economic, social, and political sustainability.

Build on democratic strengths

Democratically governed countries must harness their strengths in participation, inclusion, innovation and co-operation to improve how they address crises. Public governance in democratic countries has unique features designed to foster open public debate, the expression of expectations and trade-offs across society, critical and transparent reflection, and change and innovation in order to meet public needs. These features are critical for supporting democratic resilience in a multi-crisis environment. They improve governments' ability to solve complex problems and deliver novel solutions, increasing government reliability in the face of unexpected shocks. They also empower citizens to have a say in public decisions, helping to ensure trust in the values of government. Democracies must harness and maximise these strengths to deliver outcomes.

However, democracies must use these strengths in a timely manner. A characteristic feature of modern democracies is the existence of checks and balances to limit and control abuses of power. In a multi-crisis environment, the need to respond effectively to fast-moving events may be less than the time required for open and democratic public governance processes. This section explores how public governance can better institutionalise the strengths of democracies and use them proactively.

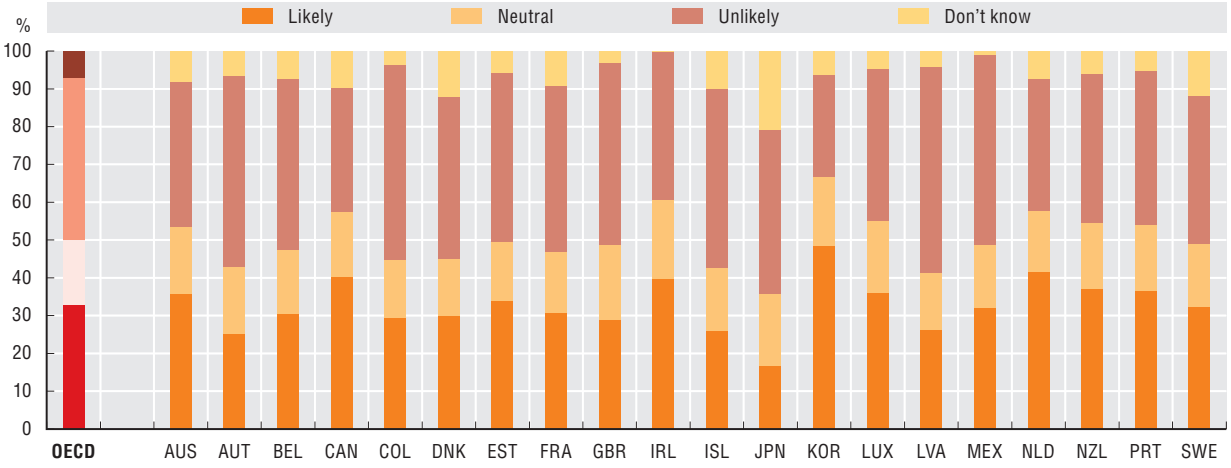
Representation, participation and engaging the voice of the people

The public believe there is a wide margin to improve participatory decision making and political representation. Processes of participation and representation are at the heart of democracy. They include electoral processes, institutionalised participatory mechanisms, social dialogue and public engagement at local level. In the current multi-crisis context, there is a widespread sense of a lack of opportunities to exercise effective political voice and choice. Across OECD countries, public institutions are extensively seen as falling short of people's expectations for representation and impact. The OECD Trust Survey finds that less than one-third of people (30.2%) 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 government would

adopt opinions expressed in a public consultation (Figure 1.4; see also Figure 4.3). There is a widespread sense that democratic government is working well for some, but not well enough for all (OECD, 2022[3]). Many citizens are choosing to disengage from representative processes, as shown by declining turnout in elections in many countries (Solijonov, 2016[36]). Re-engaging citizens in politics and political processes after the pandemic is particularly challenging, as it caused disruption to electoral processes which has worsened a declining trend in voter turnout globally (International IDEA, 2022[37]).

Figure 1.4. **Few think their government would adopt opinions 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: The OECD Trust Survey aggregates 11-point response scales as follows: 0-4 = Low / unlikely; 5 = Neutral; 6-10 = High / likely. Don't know is a separate category. 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?" Finland and Norway are excluded from the figure as the data are not available. "OECD" presents the unweighted average across countries. For more detailed information, please find the survey method document at *http://oe.cd/trust*.

Source: OECD Trust Survey (*http://oe.cd/trust*) (OECD, 2022[3]).

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Representative, or indirect, democracy, whereby elected officials represent the voice of the people, is historically the primary means by which the views and needs of different citizens and constituencies are brought into decision making. Trust in the process is vital, particularly in a crisis context. However, across OECD countries, only 4 out of 10 respondents trust their parliament or congress (Figure 2.1). In many countries without mandatory voting, voter turnout is low, and parliamentarians are often seen as part of a political elite. The disruption caused by COVID-19 may have further reduced trust in parliaments in those countries where they were unable to quickly innovate and transform their way of working (IPU, 2022[38]). During crises, the role of parliaments has been constrained in some cases. This is particularly the case in polarised political contexts with highly fragmented parliaments that have hindered the building of cross-party consensus for complex but swift crisis responses. The integrity of decision making has also been called into question.

Many governments are now turning to public participation as a means to further engage citizens. To safeguard attachment to democratic systems in the face of future shocks, it is important that governments search for the most effective forms of citizen participation to complement existing processes for political representation and aggregation of interests

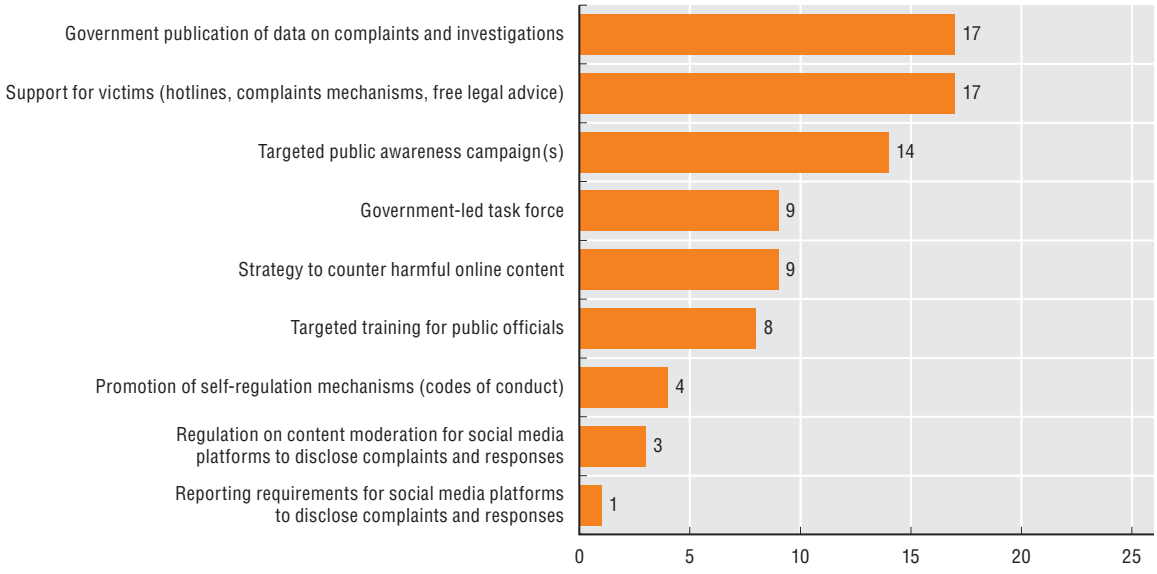
towards consensus. Institutionalising effective rules and processes for public participation in a way that is consistent with representative democracy will be key to enhancing governments' agility when engaging the public in crisis decision making, so they can effectively respond to crises and recover from them.

A first priority when institutionalising public participation is promoting a vibrant civic space, i.e. the legal, political and social environment that allows people to engage in public debate and to influence politics and society (OECD, 2022[25]). While the legal foundations for civic space (freedoms of expression, peaceful assembly, association, and the right to privacy) are generally strong in OECD countries, challenges remain and become particularly apparent during crises. During these times, governments sometimes have to restrict the exercise of civic freedoms. For example, emergency measures introduced during the COVID-19 pandemic had an impact on citizens' ability to gather and peacefully protest. In addition, burdensome administrative and reporting procedures represent barriers to civil society organisations, making it harder for them to participate in crisis responses. Hostile public discourse, smear campaigns and strategic lawsuits against public participation (SLAPPs) are also growing threats (OECD, 2022[25]).

Civic space has also been increasingly affected by hate speech against journalists, human rights defenders, activists and ordinary citizens, especially women and minorities. Consequently, there is a strong trend among OECD members to prohibit hate speech as a recognised form of discrimination. Several have introduced measures to combat online hate speech in particular, including support for victims (17 of 26, 65% of countries with data available), publication of data on complaints (17 of 26, 65%) and targeted public awareness campaigns (14 of 26, 54%), but there is more to do (Figure 1.5).

Figure 1.5. **Measures to counter online hate speech can be strengthened**

Number of OECD countries with measures in place, 2020



Note: Figure displays data on 26 OECD countries. Data on Australia, Austria and Ireland are based on OECD desk research and were shared with them for validation.

Source: OECD (2020[39]), OECD Survey on Open Government.

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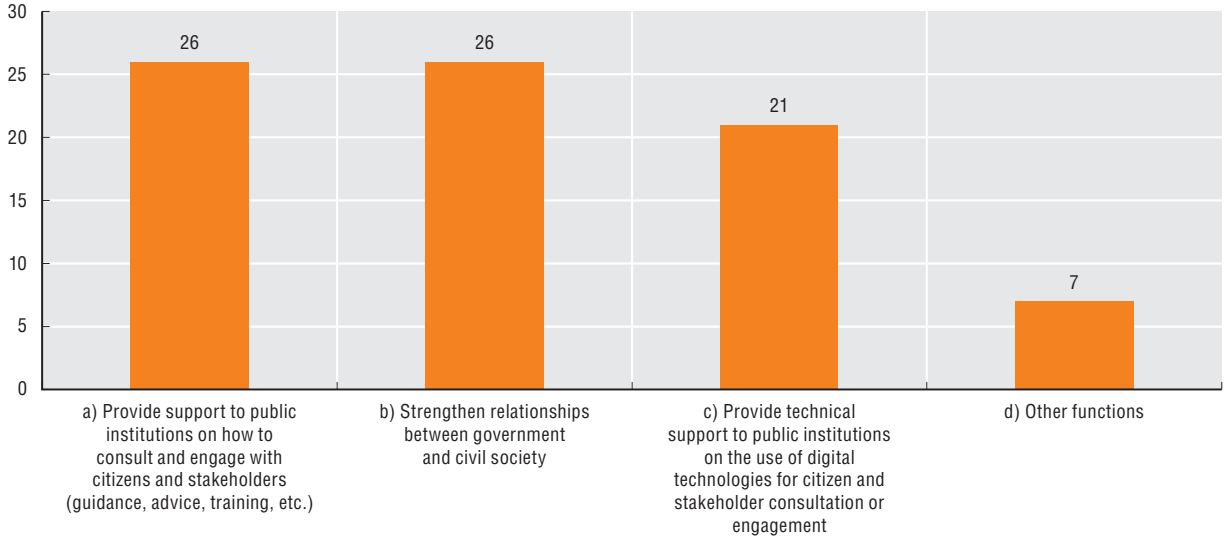
Better institutionalising participatory processes in policy and decision making would improve the involvement of citizens. Governments have long consulted with external stakeholders (see for example Figure 8.1 on stakeholder engagement in regulatory policy and infrastructure planning) and most OECD countries have adopted stakeholder engagement practices. For example, 27 of 32 OECD countries (85%) have a government-wide online consultation portal to involve citizens and stakeholders (OECD, 2021[2]). Good practices can be found across OECD countries at all levels of government, such as Mexico City's consultation on its constitution. However, stakeholder consultation still tends to happen late in the decision-making process, or only reaches a small proportion of the population (OECD, 2020[39]).

Most OECD countries adhering to the OECD Recommendation on Open Government for which data are available have institutions overseeing participatory mechanisms. Most (26 of 29, 90%) have a central office to provide support to public institutions on how to consult citizens and stakeholders. Most (26 of 29, 90%) also have a central office to strengthen relationships between government and civil society (Figure 1.6). However, participatory practices are still often implemented on an ad hoc basis by public institutions. Responsibilities are usually scattered across multiple institutions, sometimes with conflicting tasks. At the level of central or federal ministries, few have dedicated staff in charge of encouraging participation in most of their central or federal ministries (OECD, 2020[39]).

Figure 1.6. **Most OECD countries have established offices to support participatory practices**

Number of OECD countries with institutions/offices with a mandate to support or streamline participatory practices in the central government



Note: Figure displays data from 29 OECD countries that responded to the survey.

Source: OECD (2020[39]), OECD Survey on Open Government.

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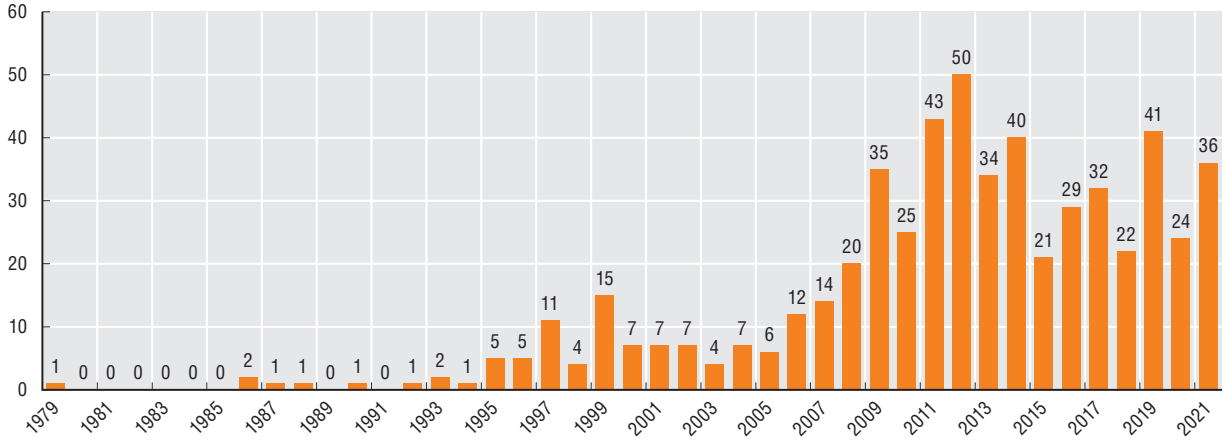
A number of governments have moved beyond consultations towards new forms of deliberative processes to improve citizen participation. These include processes such as civic lotteries, citizens' assemblies and representative deliberative councils. They can broaden participation to a wider and more diverse group of people, guard against the undue influence of lobbies, and create the conditions for everyday people to exercise public judgement, complementing representative democratic institutions. For example, Lisbon established a permanent Citizens' Council with 50 randomly selected residents to advise the City Hall

on policy questions such as climate change or mobility. In doing so, it joined other cities like Paris, Milan and Toronto in establishing new democratic institutions (OECD, 2021[40]; Mejia, 2022[41]).

In particular, OECD countries have substantially increased their use of representative deliberative processes since the global financial crisis (Figure 1.7). These are when randomly selected citizens spend significant time in facilitated deliberation to develop collective recommendations for public authorities. Public authorities have most often commissioned them for specific issues that have a direct impact on a community's life, such as planning, health and the environment. They have most frequently been used by subnational governments, especially cities. Increasingly, representative deliberative processes have been used to help policy makers address polarising issues and involve under-represented groups. For example, Ireland used deliberative processes to debate major policy changes on issues such as abortion and divorce (OECD, 2020[43]). There have been at least 69 deliberative processes on environmental issues, including in Denmark, Poland, Spain and the United Kingdom (OECD, 2021[42]). These help to involve citizens in reconciling interests and suggesting solutions that go beyond short-term political cycles (OECD et al., 2022[44]) and contribute more broadly to crisis mitigation. Nonetheless, questions remain about the efficacy, integrity and accountability of these processes and further work needs to be done to better harness citizen participation for democratic resilience. The effectiveness of instruments of direct democracy also deserves further examination.

Figure 1.7. **A wave of deliberative processes has been building over time**

Number of representative deliberative processes in OECD countries, 1979-2021



Note: n=566; This is the total number of processes recorded in OECD countries by the OECD. Data for OECD countries are based on 24 countries that were OECD members in 2021 plus the European Union. Processes that spanned over multiple years are included in the year they were completed (except for permanent ongoing processes).

Source: OECD (2021[42]), Database of Representative Deliberative Processes and Institutions, *https://airtable.com/shrHEM12ogzPs0nQG/tbl1eKbt37N7hVFHF*.

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Digital technology offers new routes for public participation, potentially also increasing their scale and speed (Box 1.1). Online platforms and digital tools can help public authorities to reach a wider population and cover broad geographical areas. Almost all OECD countries are using online platforms for citizen and stakeholder participation, in particular city governments. In 2020 and 2021, online deliberation was the most commonly used medium for conducting a deliberative process (OECD, 2021[42]), and almost all OECD countries are using online portals to support participation (Box 1.1). However, to be effective and inclusive, digital democracy platforms must be well governed to mitigate the risk of excluding vulnerable

groups with low digital literacy, protect fundamental rights and freedoms online, ensure individual privacy and data protection, prevent algorithms from introducing opacity and bias, as well as protecting against cyber risks. Consideration should also be given to how digital tools can be used to enable access to justice and support the rule of law.

Box 1.1. **Harnessing digitalisation for democratic resilience**

Public participation

Online platforms, digital channels and tools enable alternative spaces for consultation and deliberation on public policies. In 2020, 85% of OECD countries for which data is available had government-wide portals which acted as "one-stop shops" for the public to learn about past, current and future opportunities for participation (OECD, 2021[2]), such as Portugal's *Portugal Participa* (Government of Portugal, 2023[49]). However, fewer governments use other innovative approaches like co-production meetings (32%), virtual public meetings (28%) and posting proposals online with invitations to comment (41%) (OECD, 2020[39]). These could help to digitally expand participation.

Digital technologies can also contribute to modernising legislative processes, increasing the transparency of parliamentary practices and enhancing constituency relations. For example, Brazil's E-Democracia platform allows the public to interact with parliamentarians through different mechanisms. These include interactive hearings, where the public can follow parliamentary sessions in real time, a tool for consulting and co-writing legislation with citizens and stakeholders in real time, and a tool allowing citizens to suggest topics for discussion and to prioritise elements in the Chamber's agenda (OECD, 2022[50]).

Online tools can help government to rapidly implement channels for public participation in crises. For example, during the COVID-19 pandemic, the Scottish Government hosted an online public discussion to gather citizens' ideas and concerns around lockdown (Webster, 2020[51]). A similar exercise in Finland, the online Lockdown Dialogues, attracted people from different age groups and occupations from all over the country (Timeout Foundation, 2020[52]).

Fundamental rights in the digital era

Digitalisation has provided a space to expand and protect the exercise of some democratic rights and freedoms, allowing individuals and groups, including vulnerable people, to voice concerns more effectively. At the same time, it is also creating significant challenges for some human rights, freedoms and democratic values. Issues include privacy and the use of personal data, challenges to equal opportunities and fair treatment through the biased use of artificial intelligence, or discrimination through the diffusion of hate speech and harmful racial, gender-based or other stereotypes. As such, governments are increasingly developing new regulations, declarations, or charters to protect human rights and freedoms in a digital context. Examples include the Spanish Charter of Digital Rights (Government of Spain, 2021[53]) and the proposed European Declaration on Digital Rights and Principles (European Commission, 2023[54]). Some are also considering new rights for the digital era (OECD, 2022[55]).

Rule of law in the digital age

Digitalisation can enhance the rule of law by promoting efficiency, accessibility, fairness and transparency in the legal system. It can provide easier access to legal information, resources, and representation. For example, the digitalisation of court systems is radically altering how the public can access information on court decisions and proceedings. Transparency initiatives also increase understanding, accessibility and access to justice (e.g. through open data portals, streaming of sessions, published court agendas and the use of plain language). Technology can also enhance efficiency, reduce costs and increase transparency in the legal system; advance evidence-based decision making; and improve communication and collaboration. At the same time, policy makers need to address potential risks and challenges, such as privacy concerns, digital divides, cybersecurity threats, algorithmic bias, the spread of mis- and disinformation, cybercrime, and regulatory challenges.

Public communication needs to be transformed, to give citizens a greater voice, and provide for open, fact-based public debate. Effective participatory, representative and deliberative practices require an informed public who can give constructive input on public matters. However, media consumption is in decline, as is trust in the media (OECD, 2022[3]), and people are turning away from a news cycle they find increasingly overwhelming (Newman, 2022[45]). The information ecosystem is growing more fragmented and vulnerable to polarising speech and mis- and dis-information (Matasick, Alfonsi and Bellantoni, 2020[46]). This makes it increasingly important for governments to communicate meaningfully with citizens. Timely, truthful and relevant public communication is an essential tool against mis- and dis-information (OECD, 2022[47]).

There is a need to further consolidate the shift to a citizen-centred public communication model. OECD has analysed a wave of communication practices that favour more inclusive, responsive and compelling – or "citizen-centred" – public communication (Alfonsi et al., 2022[48]). Experiences of responding to recent crises, including COVID-19, have demonstrated that meaningful public communication is about listening to citizens in order to deliver relevant information that can help them make better choices. This supports perceptions of government reliability and can help build trust. Relevant practices include the responsible application of digital technologies to deliver more evidence-based, targeted and relevant messages and the use of behavioural insights to design communications that help citizens understand policy goals and act in line with them. Diversifying channels and relying on influential messengers can help to reach audiences outside the mainstream, and those who are disengaged or distrustful of government.

Inclusion and supporting diverse groups

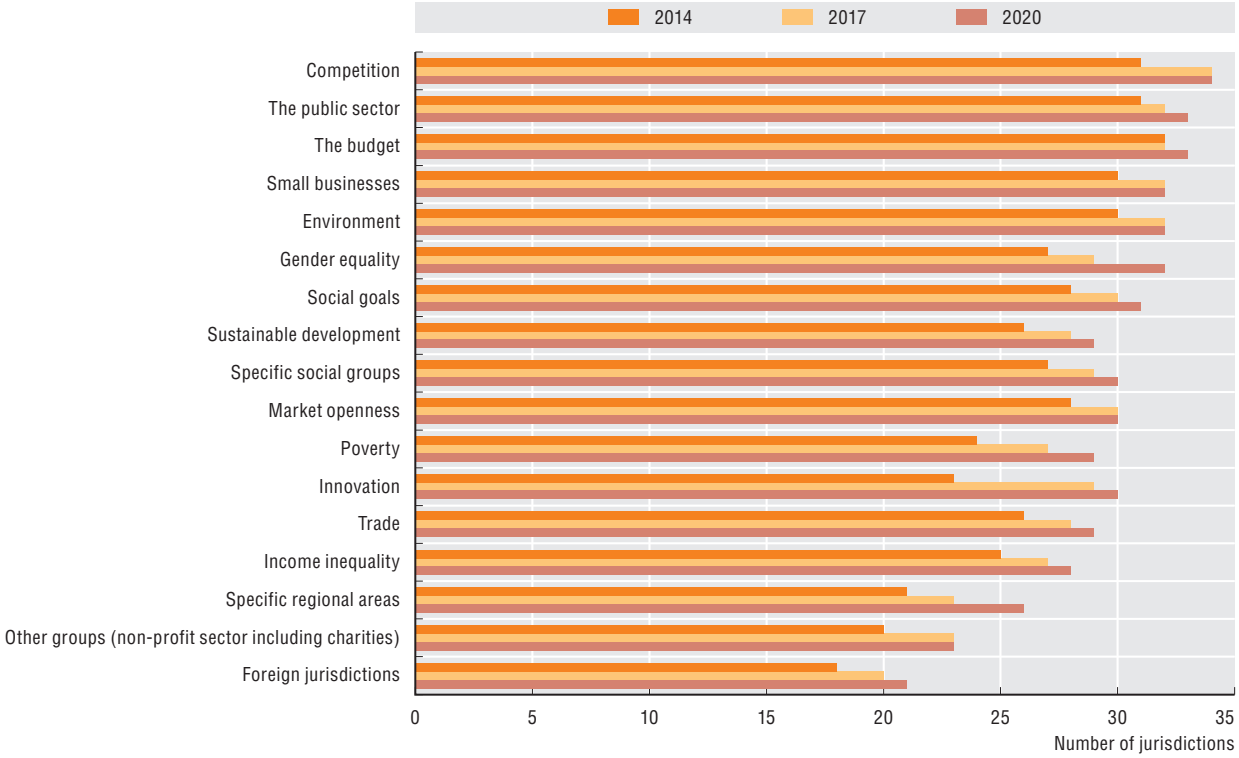
Inclusion is a key dimension and strength of democracy. Both crises and government responses affect different groups in society in different ways. This can cause issues for trust in public institutions if policies are viewed as unfair or failing to meet the needs of some. Young people and the most vulnerable in society consistently report lower levels of trust and satisfaction with government. On average across 22 OECD countries, young people, and those with lower income and education levels report less trust in national government (see Figure 2.2). In the face of ongoing crises, governments can scale up their use of tools to examine how policy responses have different economic and social impacts on different groups in society. This will help to support trust by improving the extent to which policies are seen as fair and responsive, and prevent communities being "left behind".

Countries are increasingly using practices which help to ensure inclusion is considered in policy making. Considering the impacts of laws, regulations and policies on diverse social groups is crucial for promoting equity and fairness, and building trust in government institutions. Chapter 5 covers governance of the regulatory process. Identifying the impacts of policies on diverse groups helps governments to adjust their policies to prevent unintended consequences and improve their responsiveness to the needs of different groups (OECD, 2020[56]). Of 34 OECD countries analysed plus the EU, more than 90% now require small businesses, gender equality and various social impacts to be considered in regulatory impact assessments (RIAs) (Figure 1.8, and also Figures 5.3, 5.4 and 5.5 in Chapter 5). Austria, France, Flanders in Belgium and Germany apply "youth checks". (OECD, 2020[57]). Canada uses Gender-Based Analysis Plus to assess the impacts of policies and programmes on people across factors including gender and age. OECD

countries could further benefit from making these approaches more systematic. When people feel that their voices and needs are being heard and considered, they are more likely to support and comply with measures (Lind and Arndt, 2016[58]).

Figure 1.8. **Impacts on different groups are increasingly examined in regulatory impact assessments**

Factors assessed in regulatory impact assessments, number of jurisdictions



Note: Data based on 34 OECD member countries and the EU. Data for Colombia, Costa Rica, Latvia and Lithuania not included. Due to a change in the political system during the survey period affecting the processes for developing laws, responses for Türkiye are not available for RIA for primary laws.

Source: Indicators of Regulatory Policy and Governance (iREG) Survey, 2014, 2017 and 2021, *oe.cd/ireg*. See also Figure 5.5.

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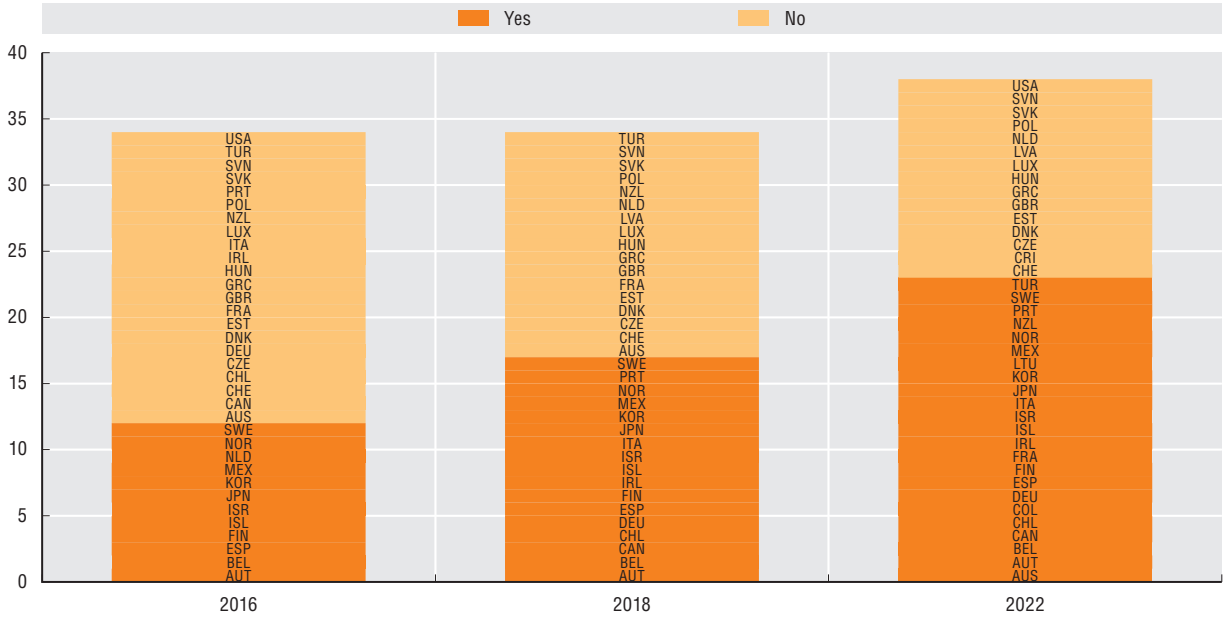
More countries are factoring in concerns about distributional impacts and responsiveness in their public expenditure management and budget processes. Government responses to crises can affect different groups in society in different ways. Spending measures to address the consequences of COVID-19, the energy crisis and inflation have all had a distributional impact. At least 10 European countries have integrated distributional concerns into budget planning on at least one occasion over the past 8 years. Sweden and the Netherlands model which groups are likely to be most affected by various policies, and recently reviewed the impact of a temporary energy price cap on different income groups. Ireland has calibrated its energy support for households and monitored the implications of its carbon tax. New Zealand uses a "wellbeing" approach which integrates distributional concerns. Slovak Republic considers intergenerational fairness in long-term sustainability of public finances, and Australia undertakes intergenerational budgetary forecasts (OECD, 2020[57]). Embedding distributional analysis early in the policy-making process helps the public sector to be more responsive to the needs of diverse groups, helping them to access the benefits of economic growth, and helping ensure that no one is "left behind".

The number of countries using gender budgeting has nearly doubled since 2016, to 61% of OECD countries (Figure 1.9 and also Figure 6.4 in Chapter 6). Gender budgeting is a tool to include consideration of gender equality in policy and budget decisions. Around half of countries practising gender budgeting (48%) undertake gender impact assessments of budget measures before they are brought forward. These help identify possible negative impacts of a measure on certain individuals or groups, allowing steps to be taken to mitigate or reduce these. Where budget measures are accompanied by information on their gender impact, this allows for more informed decision making and better-targeted use of public resources.

Figure 1.9. **The use of gender budgeting has increased rapidly**

Number of OECD countries practising gender budgeting, 2016, 2018 and 2022



Note: Since 2018 Australia, Colombia, France, Lithuania, New Zealand and Türkiye have introduced gender budgeting. New Zealand introduced gender budgeting on a pilot basis. Luxembourg, Latvia and Slovenia are actively considering implementing gender budgeting. For 2016 and 2018, no data are available for Colombia, Costa Rica and Lithuania. For 2018, no data are available for the United States.

Source: OECD (2022[59]), Survey on Gender Budgeting.

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It is particularly important that governments place a special emphasis on understanding and supporting the needs of young people (Box 1.2). Young people have been badly affected by recent crises. They are also bearing the brunt of longer-term trends in economic opportunities and climate change. The views of young people will have a longer-lasting impact on democratic resilience than those of older groups. Supporting their needs and using public governance processes to engage them in democratic processes is essential.

User engagement in public service delivery can help ensure services are offered proactively and responsive to the evolving needs of the public. During times of crisis, public services play a critical role in meeting the diverse needs of society, especially those of the most vulnerable. This has been evident during the COVID-19 pandemic. However, this also posed challenges to the public sector to cope with rising demands and expectations. Preliminary OECD results find that the "unexpected increase in the volume of citizens' demands" and the "limited capabilities to address all citizens' needs" were pressing challenges countries faced in the field of digital government during the COVID-19 pandemic (OECD, 2022[63]).

Box 1.2. **Enhancing the focus on young people**

Two generations of young people have borne the brunt of the crises in the last 15 years, calling into question future generations' wellbeing and prosperity. Young people have been hit disproportionately hard by COVID-19 and rising inflation, affecting their employment, income and future earnings, mental health, education, and affordable housing (OECD, 2020[60]; OECD, 2022[61]). Inter-generational issues such as climate change and public debt may further affect future generations' wellbeing. These trends are concerning for many young people: 56% of those aged 14-26 reported being worried about their security, health and finances, among other issues, more than any other age group (Edelman, 2022[62]). Most young people in OECD countries (56%) want their government to do more to reduce climate change (OECD, 2022[3]). On average across OECD countries, only 37% of people aged 18-29 trust the national government, compared to 41% of those aged 30-49, and 46% of those aged 50 and over (OECD, 2022[3]).

Enhancing youth participation and representation in democratic processes can bring more diversity and responsiveness to public policies and services. Young people are less likely to participate in elections and to join political parties, and are under-represented in public institutions (OECD, 2020[57]; OECD, 2022[3]) (Figures 12.10 and 12.12). Instead, young people are more likely to engage in non-institutionalised political activity e.g. through their employment and consumer choices or by creating online content. Greater youth participation and representation can be achieved by strengthening civic literacy programmes, removing the barriers young people face in entering political life (especially those from disadvantaged backgrounds), enhancing public communications, and creating opportunities for youth participation in decision making including through dedicated bodies.

Safeguarding democracy for future generations also requires governments to have better administrative and institutional capacity to serve young people. While three-quarters of OECD countries have a national youth strategy, only 20% are fully participatory, budgeted, and monitored and evaluated (OECD, 2020[57]). Better data, evidence and methods for assessing the impacts of policies on young people are also required. The collection and use of age-disaggregated data remains uneven across OECD countries, with many reporting challenges in collecting age-disaggregated data on social inclusion of vulnerable groups (45%), youth participation in public life (42%) and youth rights (36%) (OECD, 2020[57]).

While satisfaction with public services is relatively good on average in OECD countries, governments could make their service delivery more responsive to citizens' needs. Across the OECD, only 40.2% of people believe it is likely that a public service would be improved in response to users' feedback (Figure 4.2). Governments are exploring user-engagement methods to design and deliver services, such as design-thinking sessions, testing and evaluating digital projects/initiatives, or monitoring user satisfaction. Most countries with data available have policies to test and evaluate digital initiatives involving end users (18 of 29, 62%). Some use indicators to monitor satisfaction (48%) or have formal requirements to engage users in service design (48%) and delivery (27%) (OECD, 2021[2]). Governments are also making progress in using data and technologies such as artificial intelligence to anticipate user needs and deliver tailored services (Figures 9.5 and 9.6). Agile service delivery has also proved effective in increasing responsiveness and quality of service delivery. This involves using multidisciplinary teams, informed by data and clear targets, with a mandate to improve outcomes for citizens (De Seve, 2022[64]).

Governments should continue to innovate in their use of technology and data to design responsive and accessible public services, both online and offline. Portable digital identities can enhance the effectiveness of service delivery by allowing users to access services in different locations, and for different purposes, while being able to count on the same quality and trustworthiness across channels. The importance of reliable digital identities for public service delivery was proved during the pandemic, with a global rise in the uptake of digital identity solutions (OECD, 2021[2]). An omnichannel service approach can also greatly improve accessibility and inclusion, and provide a seamless experience of government.

Learning, innovation and adaptability

Learning, innovation and adaptability are key assets of democratic governance in a crisis-prone environment. When faced with novel problems and overlapping crises, public institutions must have the ability to transparently assess the performance and delivery of policies, and continue to find new and better ways to deliver for the public. These aspects of democratic governance should ideally allow public institutions to think their way through novel problems and deliver solutions.

Public institutions in OECD countries demonstrated a capacity to learn and adapt during the COVID-19 crisis (OECD, 2021[2]). However, the public does not generally view public institutions in their countries to be innovative. Only 38% of people on average across OECD countries believe that their government would improve a poorly performing service in response to public demands or implement an innovative idea (OECD, 2022[3]). This perception has a significant effect on trust levels: people who are confident in the public sector's ability to innovate are much more likely to trust civil servants (Figure 2.6).

Governments must have systems to identify weaknesses and improve policy design. Monitoring and evaluation (M&E) systems are the feedback loop through which governments understand the quality of their policies and delivery. In crises, when the scope and time for democratic deliberation is often curtailed, policy evaluations also increase accountability, providing "results-based legitimacy" in the absence of "input legitimacy" (Bekker, Ivankovic and Biermann, 2020[65]). However, crises make M&E both more difficult to conduct and less of a priority for busy institutions. This appears to have been the case during COVID-19, when OECD governments may have curtailed their use of *ex ante* evaluations (i.e. assessments made before policies go into effect) in order to speed up the adoption of exceptional measures. Instead, governments have relied mostly on *ex post* policy evaluations from actors outside of the executive, such as supreme audit institutions (OECD, 2022[66]).

In the context of multiple crises, governments will need to find new ways to generate evidence, identify weaknesses and improve policy. During COVID-19, OECD countries increased their use of evidence synthesis methods and used innovative evaluation or data collection methods. For example, rapid evaluation methods were used in the State of Victoria's Health Department to evaluate 15 policy solutions delivered during COVID-19 (Gawaya, Terrill and Williams, 2022[67]). Rapid evaluation methods can provide insights in a timeframe more in line with the fast pace of decision making needed during crises.

Governments could improve their oversight and deliberate stewardship of innovation in the public sector. Innovation can be thought of as implementing something novel in order to achieve impact (OECD, 2017[68]). It is a tool for finding solutions to shocks and novel problems. Better measurement of innovative capacity in the public sector is key to identifying vulnerabilities and opportunities to build successful innovative practices

(Kaur et al., 2022[69]). Even without strong metrics, governments can improve public sector innovation capacity. This is a pro-active investment in ensuring capacity is available to respond to crises. Governments could use audits to identify opportunities for innovation, build skillsets such as strategic foresight and behavioural insights capacities, and develop public sector innovation strategies and innovation incubators.

The sharing and use of data within government enable learning and public sector innovation. Timely data access and sharing, including across sectors and levels of government, can improve governments' preparedness and readiness to face crises (OECD, 2021[70]). Developing data governance frameworks for data access and sharing sets the foundations for using data for evidenced-based policy making and user-centric services. Improving responses to future crises requires interoperable data governance mechanisms and improved data readiness, trustworthiness and accessibility, including in the form of open data. Scaling up data governance also requires measures to enhance trust in the management of data, including ensuring that benefits are weighed against risks, and that appropriate processes, controls and tools for ethics, transparency and personal data protection are in place.

International co-operation and multilateralism

Democratic governments can harness their strengths in international co-operation to improve how they deal with crises which cross national borders, especially climate change. Many of the world's multilateral institutions were established in the aftermath of World War 2, a crisis which posed existential risks for democratic governance. The OECD is included among this number. To prevent and manage the cross-boundary and cascading crises of the current era, it is important that democratically governed countries put in place the governance practices for more effective multilateral engagement. These should include better co-ordination within government for multilateral affairs, including horizontal and vertical co-ordination across domestic government agencies working on international policy issues; mechanisms to promote policy coherence; and developing the skills of public servants to think in global terms (OECD, 2022[5]).

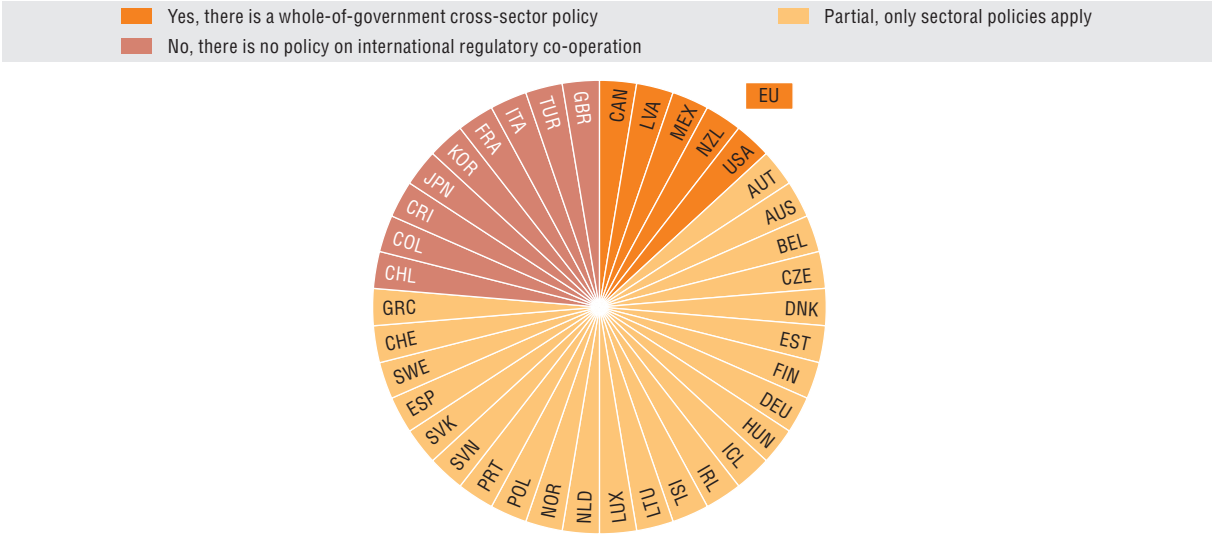
Better understanding of cross-border impacts will be important for supporting co-operation and mitigating cascading risks. A more interconnected world economy means that individual countries' policies can have spillover effects on other countries. These transboundary impacts can take effect through financial flows, trade, migration, transfers of knowledge and carbon emissions. If countries focus solely on domestic interests, the impact of policies on other countries may well be negative. Emerging evidence suggest this area requires improvement (OECD, forthcoming[71]). Less than half of OECD countries for which data are available (5 of 12) have requirements in place to analyse transboundary impacts (Figure 4.15). Only one-third (4 of 12) are using indicators or other available data to monitor such impacts (Figure 4.16). Governments can do more to facilitate communication and effectively address negative transboundary impacts, and to use available tools, evidence and data to reduce them.

Governments can also strengthen international regulatory co-operation (IRC). IRC enables governments to collaborate on common problems and learn from each other. In June 2021, the OECD adopted a recommendation on how countries can effectively adopt IRC. This recommendation is built around three pillars: taking a whole-of-government approach to IRC, recognising IRC throughout domestic rule making and co-operating internationally through a variety of mechanisms (OECD, 2020[72]). Only 5 of 38 OECD countries (14%) have adopted

IRC as a whole-of-government policy, although 23 (61%) have partial policies (Figure 1.10). Such partial policies can be very ambitious but focused on certain regions or sectors. In 9 of 38 countries (24%) there is no policy on international regulatory co-operation (Figure 1.10, and also Figures 5.9 and 5.10 in Chapter 5).

Figure 1.10. **Most OECD countries only take a partial approach to international regulatory co-operation**

OECD countries with a whole of government, or a cross-sectoral approach to IRC, 2021



Note: Depicts the United Kingdom as not having a whole-of-government approach to IRC. However, since the last measurement in January 2021, the country has established a national policy for it.

Source: OECD (2021[73]), Indicators of Regulatory Policy and Governance (iREG) Survey.

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Reinforce key competencies to handle crises

To manage a more crisis-prone environment, governments must reinforce the key public governance competencies and tools required to ensure strategic coherence, minimise economic shocks and protect the most vulnerable. They must remain responsive to the needs of citizens, and reliable in helping them to manage shocks. This section highlights the key competencies of policy foresight and coherence, public financial management, the planning and delivery of public infrastructure, public procurement, crisis management, and public service management. As covered in Government at a Glance 2021 (OECD, 2021[2]), maintaining the ability to act at scale and speed by ensuring buffers of flexible resources, remains central. In an age of multiple crises, this must be augmented by the ability to manage complex and interlinked issues, over varying timelines, while taking into account the effects on diverse groups in society.

Policy foresight and coherence

Crises will create a greater need for prioritisation and coherence in setting policy. Operating in an environment with regular crises will stretch governments' ability to manage urgent short-term needs while continuing to focus on delivering the most important long-term priorities, and to manage trade-offs and interactions between policy areas. The danger is, as some suggest, that multiple crises could overwhelm governments' capacity to work towards long-term goals (Laybourn, Throp and Sherman, 2023[23]). Failures would undermine perceptions of government reliability and trust in institutions.

Centre of government (CoG) institutions will play a critical role, balancing crisis responses, long-term planning and co-ordination on cross-cutting issues. The CoG is the structure that supports the prime minister and council of ministers (e.g. the office of the prime minister or president). During COVID-19, COGs took on more co-ordination work and responsibilities (OECD, 2021[74]). Preliminary data show this trend has continued, with many CoGs increasing their range of responsibilities, policy areas, cross-government co-ordination activities and workforces between 2019 and 2023 (OECD, forthcoming[75]). Their crisis management work has also increased in the last three years, often through the use of ad hoc taskforces for short-term issues.

CoGs will need to safeguard government delivery, mixing crisis response with whole-of-government strategic planning. Common priorities for CoGs in 2023 include inflation, national security, climate, energy and biodiversity (OECD, forthcoming[75]). These involve addressing complex, and sometimes conflicting, priorities. Preparation, planning and prioritisation influences the quality of crisis responses and the ability to continue working on long-term objectives. For instance, Luxembourg's risk analysis and co-ordinated approach had already identified the risks of an influenza pandemic before COVID-19, which facilitated actions to mitigate the crisis (OECD, 2022[76]).

Policy coherence capabilities will be key to balancing policy trade-offs over time and across policy areas. The causes of, and solutions to, many crisis issues interact across multiple policy areas. For example, government expenditure on measures supporting the production and consumption of fossil fuels almost doubled in 2021 (OECD, 2022[77]), partly due to COVID-19 support. This undermines international efforts to combat climate change. Governments must use more systemic approaches to support coherence across policy areas. Among OECD countries with data available, 11 out of 12 (92%) have a formal commitment to policy coherence for sustainable development, and 9 (75%) have a lead institution overseeing it (OECD, forthcoming[71]).

However, challenges remain in delivering policy coherence and defining long-term strategies that extend beyond 2030. This requires a public service with the tools (strategic foresight, systems-thinking, scenario development, modelling tools, impact assessments, etc.) to cope with multiple global challenges, their interconnections and their potential future effects. **Strategic foresight will be increasingly indispensable for managing the long term.** Strategic foresight is an established practice for perceiving, making sense of and acting upon the future as it emerges in the present. In country studies, the OECD has found that, while strategic foresight capabilities exist in government, they are often in silos and not integrated into policy making. Where strategic foresight is used, there is a lack of ability to communicate and produce foresight information for senior leadership, and limited knowledge about the uses and benefits of strategic foresight (OECD, 2022[78]). This contributes to a considerable "impact gap" (OECD, 2022[78]). The OECD's Anticipatory Innovation Governance model addresses this, examining how to tie futures and foresight knowledge into decision making and core government processes (Tõnurist and Hanson, 2020[79]). Governments will also need to regularly review emerging trends and consider how to incorporate them into strategic planning. For example, New Zealand is considering how to better make use of long-term insights in their policy planning cycles (OECD, 2023[80]).

Resilient public finances

Governments must have credible public financial management frameworks to build trust in budgetary governance and maintain enough fiscal space to be able to finance crisis responses when needed. Budget processes and governance are examined in Chapter 6. Each

of the crises of recent years has shown the importance of preserving the resilience of public finances; countries need to be able to finance large and unexpected expenditures, such as in the aftermath of major natural disasters, to support a distressed sector or to address the consequences of a major pandemic. However, debt levels in OECD countries have risen significantly in recent years (Figure 10.10).

Maintaining appropriate fiscal rules is crucial. Almost all OECD countries use fiscal rules. Rules on budget balance and debt are the most commonly used. Nominal budget balance fiscal rules are used by 20 countries with a legal basis and by 6 countries with a political basis. Structural budget balance fiscal rules are used by 22 countries with a legal basis and by 3 countries with a political basis. Rules on debt ceilings with a political basis are used by 20 OECD countries (OECD, 2019[81]). During the COVID-19 pandemic, several countries breached or suspended their fiscal rules and multi-annual budget plans in order to accommodate large discretionary fiscal responses. Some countries are now taking the opportunity presented by the crisis to examine changes to their fiscal frameworks. These questions are already central in the concerns of some institutions, for example, in the current European Economic Governance review (European Commission, 2023[54]).

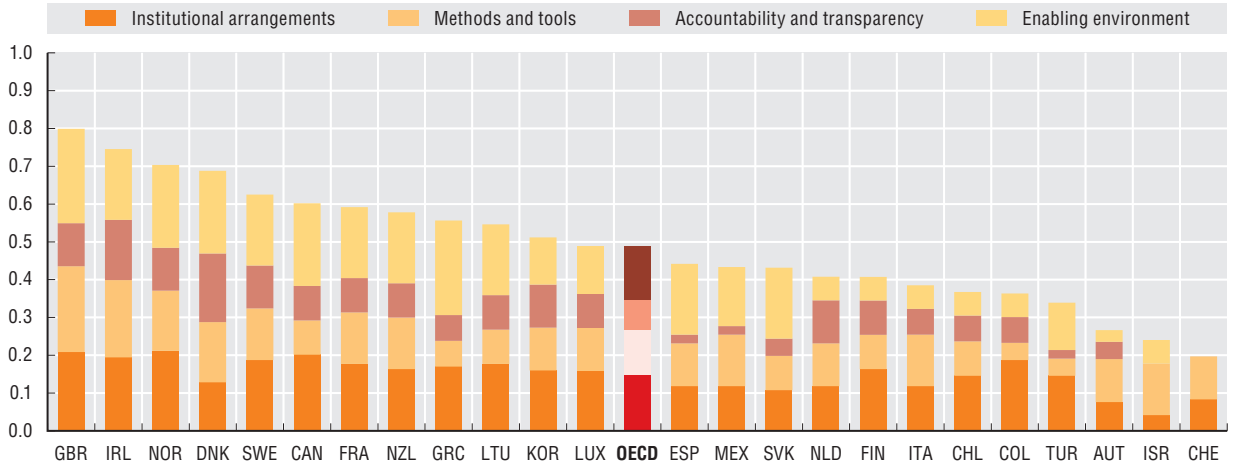
Countries also need to identify and manage their fiscal risks (i.e. sources of potential large deviations from the fiscal forecast). These include events that are outside of the control of governments, such as macroeconomic shocks but can also be generated by governments' own activities, for example if governments grant large loans or guarantees, with a significant probability that these might not be repaid or might be called in. There are processes in place in 75% of OECD countries to manage their fiscal risks (OECD, 2019[81]). However, the comprehensiveness in the identification of these risks and how effectively they are monitored varies widely across OECD countries. The OECD has recently called for OECD countries to strengthen their processes for the identification, analysis and management of fiscal risks (Moretti, Boucher and Giannini, 2021[82]), including guidance for more prudent budgetary governance for loans and guarantees (Moretti, Braendle and Leroy, 2021[83]).

Subjecting government's macroeconomic forecasts to review by an independent fiscal institution (IFI), or outsourcing them to an IFI altogether, can substantially increase the credibility of a government's strategy and the resilience of its public finances. There has been a surge in the number of IFIs since the global financial crisis, and they are now in place in 29 of 38 OECD countries (Figure 6.7). In the majority of countries, the IFI has a key role in endorsing (11 of 29, 38%) or scrutinising (12 of 29, 41%) official forecasts. In 3 of 29 countries (10%), the IFI produces the official macroeconomic forecast (OECD, 2021[84]). In the Netherlands, the Central Planning Bureau, acting as an IFI, provides forecasts directly to the Government. In Sweden, the United Kingdom and the United States, IFIs publish their assessment of the soundness of government fiscal plans.

More effective use could be made of budgeting and public financial management processes to address the climate crisis. There has been a rapid increase in the number of countries implementing green budgeting mechanisms, from 14 out of 35 countries in 2021 (40%) to 24 out of 36 in 2022 (66%) (Figure 6.1). Methods and tools used to implement green budgeting continue to be widely adopted, and OECD countries have also strengthened their institutional arrangements for green budgeting (Figure 1.11 and also Figure 6.2 in Chapter 6). However, there is scope to improve accountability and transparency. Countries do not make widespread use of practices such as involving civil society, monitoring green budgeting, or submitting a green budget statement to parliament.

Figure 1.11. **Green budgeting is now widespread, but could be more effective**

2022 OECD Green Budgeting Index



Note: Updated from the 2021 OECD Green Budgeting Index reflecting changing practices. Only data for OECD countries that have introduced green budgeting are shown.

Source: OECD (2022[85]), Survey on Green Budgeting.

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Governments could also enhance the resilience of their public finances to major and severe climate-related events. In 2022, natural disasters, many driven by climate change, are estimated to have caused economic losses of USD 313 billion globally (AON, 2023[86]). The OECD has developed an integrated framework to help governments build integrated financial strategies, co-ordinated with fiscal risk assessments, to ensure their public finances are resilient to climate-related risks (OECD, 2022[87]). For high-frequency, low-severity climate-related events (e.g. local floods or droughts), governments with budgetary flexibility and capacity should set up a general contingency reserve to cover disaster relief and response needs. For high-severity, low-frequency climate disasters, reserve funds are more appropriate (depending on the ease and cost of access to public debt financing). Budgetary frameworks for emergencies should allow funds to be rapidly reallocated to cover immediate post-disaster needs. For example, Colombia's financial strategy uses budget reallocations as a tool to finance lower-layer risks and to meet needs in the aftermath of a climate-related disaster (Ministerio de Hacienda y Crédito Público, 2021[88]). Governments can also use balance sheet measures to improve the availability of affordable insurance and reduce government expenditure needs following a disaster. For instance, Australia has implemented a government-backed reinsurance pool for cyclones and related flood damage (OECD, 2022[87]).

Planning and delivering resilient public infrastructure

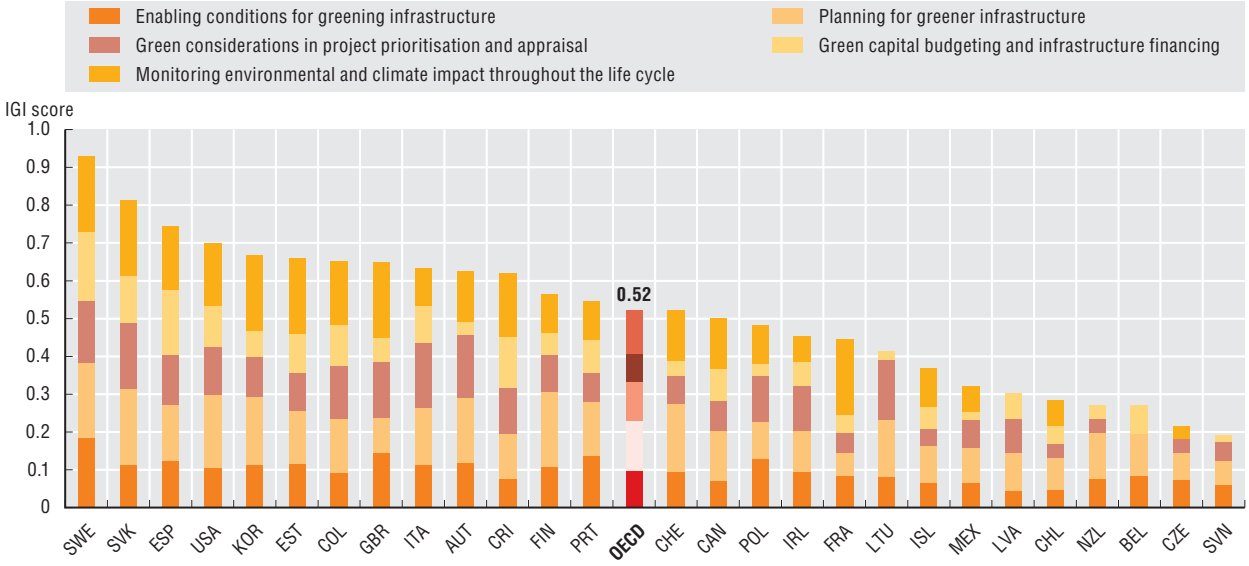
Infrastructure governance will play a crucial role in combatting the climate crisis, and in ensuring continuity of service through other shocks. Achieving net-zero emissions in 2050 will require an increase in global annual energy sector investment from the USD 2.3 trillion achieved in recent years to USD 5 trillion by 2030 (IEA, 2021[89]). At the same time, infrastructure assets and operations will be increasingly exposed to the impacts of climate change, directly affecting public service provision. Developing reliable, sustainable and resilient infrastructure will require realigning infrastructure planning and delivery processes. Robust institutional capacities, appropriate processes and robust appraisal are preconditions for achieving optimal infrastructure investments which deliver the expected outcomes.

Chapter 8 examines how governments plan and manage the delivery of public infrastructure. The goal is to ensure that the right projects are selected, and that they are cost-efficient, affordable and represent value for money to the public sector and end-users. A lifecycle approach to infrastructure planning and management takes into account infrastructure performance, costs and benefits at all stages of the lifecycle, starting from planning, prioritisation and funding, through to design, procurement, construction, operation, maintenance and decommissioning. This can help optimise assets and make them more resilient.

The OECD infrastructure governance indicator on environmentally sustainable and climate-resilient infrastructure provides an overview of the different governance elements supporting environmentally sustainable and climate-resilient infrastructure. Country indicator values range from 0.19 to 0.93 (with 0 and 1 min and max possible values) with OECD average of 0.52 (Figure 1.12, see also Figure 8.7 in Chapter 8). While countries show some good practices, there is significant room for improvement in all five governance aspects considered. For example, while 63% of countries for which data are available (17 out of 27) require a climate impact assessment to estimate the potential emissions of a transport infrastructure project, only 44% (12 out of 27) systematically use the results to select or prioritise projects. Less than half (12 out of 26 or 46%) require climate change adaptation measures to be integrated into the design of transport infrastructure projects. Only 35% (9 of 26) systematically use climate resilience criteria to inform how they select and prioritise projects (see also Figure 8.7 and Table 8.8).

Figure 1.12. **Governments can significantly improve on delivering environmentally sustainable and climate-resilient infrastructure**

OECD infrastructure governance indicator on governance for greening infrastructure, 2022



Note: Scores can range from 0 to 1. Data for Australia, Germany, Greece, Japan, Luxembourg, Norway and Türkiye are not available. Data for Belgium are based on responses from Flanders only. Belgium (Flanders) does not have complete data for this indicator. Only the sub-pillars with complete data have been included in the graph (scores for Belgium (Flanders) are not included in the OECD average). Detailed methodological note is available in Chapter 8, see section "Delivering environmentally sustainable and climate-resilient infrastructure"

Source: OECD (2022[90]), Survey on the Governance of Infrastructure – Part V: Deliver environmentally sustainable and climate-resilient infrastructure; OECD (2021[91]), Regulatory Indicators Survey.

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States must ensure that public infrastructure, and particularly critical infrastructure, is resilient to risks, including those posed by the climate crisis. Shocks such as natural disasters, extreme weather events and health crises may become more frequent and/or intense due to the climate crisis, which may leave infrastructure assets and networks vulnerable to damage and disruption. This is compounded by ongoing infrastructure governance challenges such as ageing and poor maintenance. Maintaining resilience is essential to help absorb adverse shocks and ensure quality of services.

To ensure the resilience of existing infrastructure, countries could make greater use of innovative and sustainable solutions for asset management. By collecting better data on infrastructure performance and feeding them into information management systems, countries can make more informed decisions about the management of their assets. To ensure infrastructure resilience over time, countries can monitor assets at different lifecycle stages against performance standards and develop enforcement regimes that ensure compliance with those standards. For example, 58% of OECD countries (15 out of 26) have mechanisms in place to monitor and mitigate environmental and climate change risks throughout the operation, maintenance and decommissioning of assets (OECD, forthcoming[92]).

Using procurement practices for more resilient public sector supply chains

Public procurement policy should work to ensure the resilience of public sector supply chains, especially in essential goods and services, while reinforcing an open system of international trade. Chapter 7 covers public procurement. Supply chains have become increasingly globalised and interdependent. While this has generated productivity gains and lowered production prices, it has also increased public buyers' exposure to risks of supply chain disruption. This has been evident in recent crises, in which risks to the supply of essential goods like medical supplies and energy have emerged. It is important that public procurement strategies manage these risks in ways that reinforce an open system of international trade. Governments are adopting a range of strategies to strengthen the resilience of their public sector supply chains, including risk management strategies to secure the provision of essential goods and services (OECD, 2020[93]). Better knowledge of supply chains can help public buyers to identify, prioritise and address risks to them (OECD, 2020[93]). However, in 2018, only 52% of OECD countries for which data were available had a national strategy for assessing, preventing and mitigating public procurement risks (OECD, 2019[94]).

Effective strategies to ensure resilience of public sector supply chains and access to essential goods in a framework of open trade can include diversifying suppliers and improving cross-border co-operation (OECD, forthcoming[95]). International procurement co-operation (e.g. agreements to share essential goods, conduct joint procurement or avoid export restrictions) can facilitate the sharing of goods and services and avoid governments competing against each other to procure them (OECD, forthcoming[95]). For example, the Baltic Procurement Initiative, created in 2012, established a centralised joint purchasing system for Estonia, Latvia and Lithuania to reduce expenditure and ensure continuity of access to medicines and vaccines (Vogler et al., 2021[96]). More recently, Russia's war of aggression in Ukraine led the EU to propose new rules to make it possible for member states to purchase gas jointly on global markets (EU, 2022[97]).

Navigating a complex web of interconnected supply chains to manage supply risks requires advanced procurement skills. In 2020, only 35% of OECD countries had made it mandatory for public procurement officers to receive specialised training (OECD, 2023[98]).

Many countries offer optional training, such as Austria's Public Procurement Academy, where staff are trained to ensure quality, value for money and fairness throughout the procurement process (OECD, 2023[98]). Countries can also promote collaborative approaches with knowledge centres to improve skills and competencies. In 2020, 62% of OECD countries had collaborated with knowledge centres to develop training, a substantial increase from the 39% which had done so in 2018 (OECD, 2023[98]).

Public procurement can also help to achieve objectives on the green transition. This is explored in Chapter 7. Governments across the OECD are increasingly using their purchasing power to steer their economies towards greater consideration of environmental choices and outcomes. In 32 out of 34 OECD countries surveyed (94%) there is an active national green public procurement policy or framework, which has been recently updated to target high-impact sectors and to move towards cleaner products in two-thirds of countries (Figure 7.3). However, only 12 out of 32 OECD countries with GPP policies (38%) report on their impact and are therefore able to understand how they are contributing to meeting their sustainability goals (Figure 7.6).

Crisis management

Governments need to adapt their crisis management policies and practices to improve how they handle the unexpected and enhance the agility of their systems. Traditional approaches to crisis management, based on standard operating procedures and past events, are no longer sufficient when facing more frequent shocks, or those which are unprecedented or unexpectedly large (OECD, 2015[99]). This is demonstrated by 18 out 25 OECD countries for which data are available having experienced at least one major non-COVID-19 crisis since 2017 which they were not prepared to cope with (OECD, forthcoming[100]).

First, governments must set up robust governance frameworks for managing both classic and more complex crises. It is important to engage multiple agencies as well as the private sector in crisis management, and to put in place arrangements for co-ordinating these stakeholders both nationally and internationally. Second, governments need to establish a network of actors with multi-disciplinary scientific expertise and the capacity to provide easily understood information to support strategic decision making during crises. Unbundling complexities and identifying uncertainties are essential for making sense of emergency situations. Third, crisis managers should be able enact crisis communication strategies to respond to citizens' expectations. Finally, governments must train professionals and leaders in managing and preparing for complex crises. Most OECD countries now include many of these core features in their crisis management systems (Figure 1.13, (OECD[100]) forthcoming). Nevertheless, it will be critical that they keep their strategic crisis management capabilities ahead of the evolving risk landscape through continuous improvement, training and learning in order to maintain national resilience.

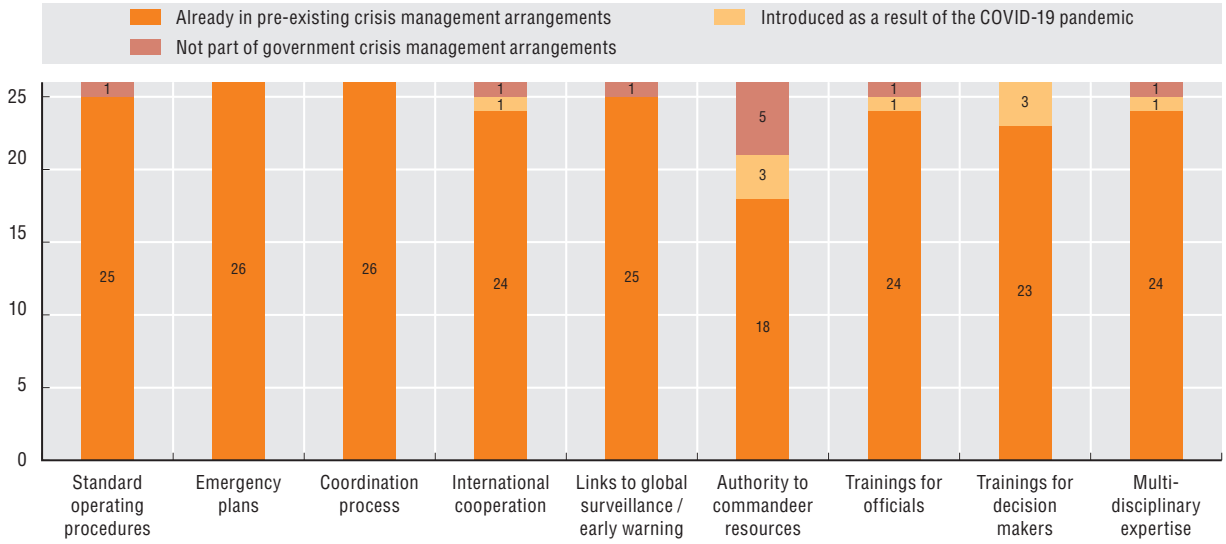
Skills and management in the public service

Governments should take steps to maximise the agility of their workforces. Chapter 13 presents data on how public servants are managed in OECD countries. Flexible public services are able to adjust quickly to fast-changing and emerging priorities. They are a core feature of the future of the public service (OECD, 2021[102]). The OECD has identified three aspects of a flexible public service: mobility, learning cultures and the use of flexible working arrangements, including remote work (OECD, 2023[103]). Each of these areas contributed

significantly to public service resilience during the COVID-19 pandemic. Public services across the OECD have the chance to refine and scale up promising new practices in all three areas and use flexibility to enhance performance in a potentially more crisis-prone period.

Figure 1.13. **Many OECD countries had key crisis management arrangements in place prior to COVID**

Number of OECD countries which have crisis management arrangements in place, 2022



Note: Data is for 26 OECD countries. The question asked was "Which, if any of the following features, were established in your Government's crisis management mechanism prior to COVID-19, or introduced as a result of COVID-19?"

Source: OECD (2022[101]), Questionnaire on the Governance of Critical Risks.

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Mobility means giving public servants the opportunity to work in different parts of the public service. Emergency situations like COVID-19 showed the importance of having mechanisms to quickly identify people with specific skill sets and move them to where they are most needed. Beyond emergencies, as policy challenges become more complex, mobility can be a critical tool to help public administrations align the right skills and expertise, while also providing important workforce learning and development opportunities. The strategic use of mobility tools can be a cornerstone of greater resilience, capability and innovation. Despite these benefits, mobility is not mandatory or explicitly recommended in most administrations (Figure 13.1).

To be resilient, public services must learn quickly, to adapt to fast-changing circumstances and build skills in foresight and innovative problem solving. This requires a learning culture, where learning is continual, career-long and expected. It must also be aligned with incentives, such as growth opportunities and performance feedback. To cultivate a learning culture, it is important that leaders prioritise learning, create space for both formal and informal learning, and promote mobility as a learning opportunity. Most public administrations have learning strategies (Figure 13.3), but they are not always supported with enough data or systematic planning.

Flexible working practices, both spatial (e.g. remote working) and temporal (e.g. part time), are essential for workforce resilience in the public service. The COVID-19 pandemic showed the importance of enabling public servants to work from anywhere, at any time, to

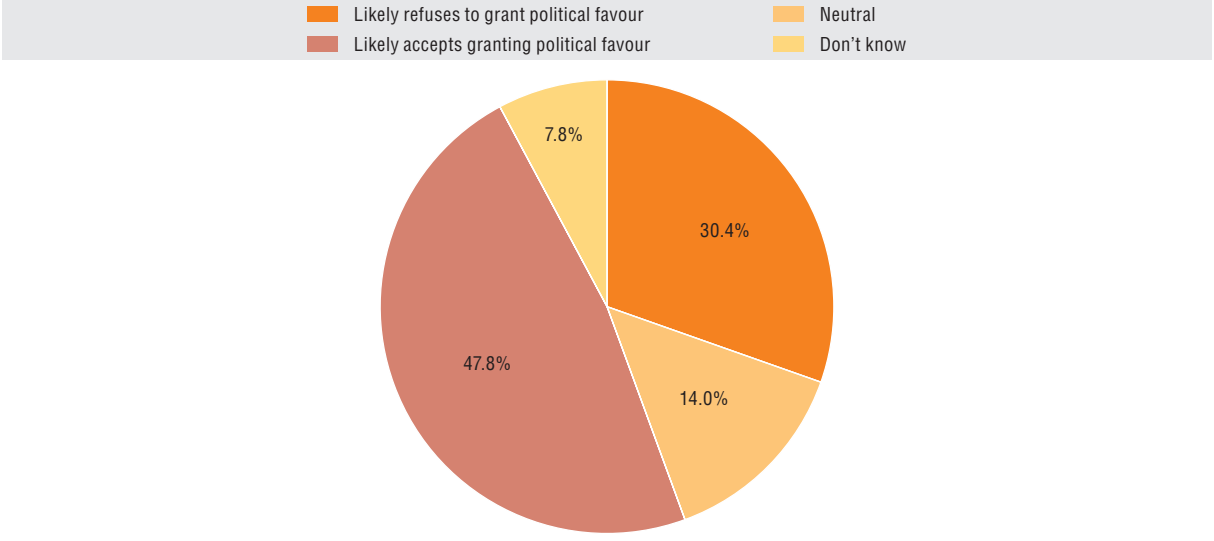
meet the needs of the public. Flexible ways of working encompass a variety of tools enabling public servants to adjust their working hours and location in line with their preferences and organisational requirements. They are key to attracting and retaining the skills needed in the public service workforce of the future. Many forms of flexible working are available to public servants in OECD countries (Figure 13.5), but very few of these are established rights (Figure 13.6).

Protect against threats to democratic values

Democratic governance must protect against risks to democratic resilience arising from corruption, lack of integrity, and mis- and disinformation, that are enhanced at times of crisis. These issues form direct, and sometimes intentional, threats to trust in public institutions. Chapter 4 covers issues related to integrity and how policy making is governed. Across OECD countries, there is a widespread scepticism about the integrity of high-level political officials. On average, almost half of respondents to OECD surveys (48%) predict that a high-level political official would grant a political favour in exchange for the offer of a well-paid private sector job (Figure 1.14). These risks can be heightened during crises. The pressures of speed and expedience can lower standards of democratic governance and oversight. This may allow actors to exploit weaknesses in public integrity systems to pursue their own interests. This might include both domestic and foreign actors seeking to gain undue influence, or to undermine democratic countries for strategic reasons. This section covers key actions democratic governments need to take to create firewalls against these threats.

Figure 1.14. **Perceptions of undue influence are widespread**

Share of respondents who indicate that an elected or appointed official would accept or refuse the offer of a well-paid private sector job in exchange for a political favour, unweighted OECD average, 2021



Note: Figure presents the unweighted OECD average of responses to the question "If a high-level politician were offered the prospect of a well-paid job in the private sector in exchange for a political favour, how likely or unlikely do you think it is that they would refuse it?". The OECD Trust Survey aggregates 11-point response scales as follows: 0-4 = Low / unlikely; 5 = Neutral; 6-10 = High / likely. "OECD" presents the unweighted average across countries. Mexico and New Zealand are excluded from this figure as respondents were not asked about trust in the national government. For more detailed information please find the survey method document at *http://oe.cd/trust*.

Source: OECD Trust Survey (*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, *https://doi.org/10.1787/b407f99c-en*.

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Integrity and anti-corruption

Governments must ensure that democratic governance systems protect and enforce the "rules of the game" for democracy. Democratically governed systems are based on the expectation that both elected political leaders, and public officials with key decision-making capacities, will design policies for the benefit of the public. When designing and implementing policies, governments need to engage diverse interest groups and consider the costs and benefits for these groups. In this context, engagement between interested stakeholders and government through lobbying and other influence practices is a natural part of the democratic process (OECD, 2010[104]).

The manner in which these practices take place is critical to democratic resilience. Public policies suffer if lobbying and influence are abused, for example if special interest groups monopolise influence or use misleading evidence to advance their own interests or manipulate public opinion. Decisions on public policies can have harmful impacts if political leaders and public decision makers breach political integrity standards and use their position to further the commercial or political interests of particular groups. This can result in mistrust in public institutions and democratic processes (OECD, 2021[106]).

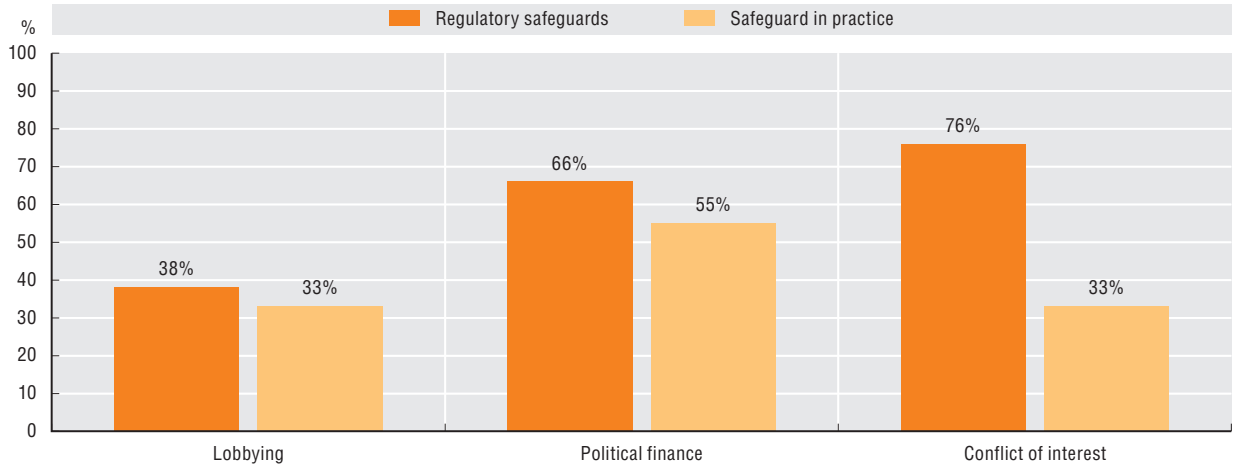
Corruption risks can be heightened by crisis conditions. The COVID-19 crisis highlighted governments' vulnerability to undue influence. Lobbying activities related to the pandemic increased significantly in the early months of the crisis (OECD, 2021[106]). Concerns arose over the influence of powerful interest groups on COVID-19-related policies, such as vaccine purchases (European Court of Auditors, 2022[107]), and a lack of transparency in response to access to information requests that could have shed light on the influence of powerful interest groups in key decision-making processes (EU Ombudsman, 2022[108]; EU Ombudsman, 2023[109]). This echoes previous crises, where affected businesses and stakeholders have influenced policy responses (OECD, 2021[106]). Moreover, many governments established ad hoc procedures to gather scientific and technical expertise for policy responses and recovery plans. While appointed experts can provide credible information and legitimacy to crisis response, they also pose an integrity risk related to possible unmanaged conflicts of interest.

Many OECD countries lack the full safeguards to prevent corruption in lobbying, political finance and conflict-of-interest situations (Figure 1.15). Lobbying is a particularly unregulated policy area in OECD countries. On average across 28 OECD countries, only 38% of standard regulatory safeguards on lobbying are in place, and only 33% are implemented in practice (more details in Figures 4.8 and 4.9). This can lead to opportunities for undue influence over policy making. Countries fare better in regulating political finance, with 66% of standard criteria and regulations in place, and 55% implemented in practice (more details in Figures 4.10, 4.11 and 4.12). This suggests a comparatively lower risk of businesses securing advantages through contributions to campaigns and parties. Regulations in OECD countries to safeguard against conflicts of interest meet 76% of criteria on average, but their actual practices only meet 33% (more details in Figures 4.4, 4.5 and 4.6). Despite strong regulatory requirements, many countries often fail to track whether interest and asset declarations have been submitted, or have weak procedures to verify their content.

Integrity risks are magnified when foreign governments, particularly non-democratic regimes, aim to destabilise democracies through, inter alia, disinformation campaigns, malign political financing, and interference in domestic policymaking through covert lobbying practices. In a more interconnected and digital world, these practices are increasingly common and pose a new threat to democratic resilience especially in times of crisis.

Figure 1.15. **Many OECD countries lack full safeguards to prevent corruption in lobbying, political finance and conflict-of-interest situations**

% of regulatory safeguards which existing, and % which are fulfilled in practice (average across OECD countries)



Note: Percentage values represent the average score across 28 OECD countries on the fulfilment of standard criteria for each category. For conflict of interest, the OECD Public Integrity Indicators measure the fulfilment of 9 standard regulatory safeguards and 9 standard safeguards to implement in practice. For lobbying, they measure 4 standard regulatory safeguards and 9 standard safeguards to implement in practice. For political finance, they measure 11 standard regulatory safeguards and 8 standard safeguards to implement in practice. Data not available for Belgium, Colombia, Germany, Hungary, Iceland, Italy, Lithuania, New Zealand, Portugal, and the United Kingdom.

Source: OECD (2022[105]), OECD Public Integrity Indicators, *https://oecd-public-integrity-indicators.org/*.

StatLink https://stat.link/a1whrt

Protecting democratic resilience against the risks of undue influence and foreign interference will require governments to implement a number of mutually supportive actions. First, they need to strengthen integrity and transparency over lobbying and influence by commercial and political interests, whether national or foreign, including via political financing. A minority of OECD countries still do not ban contributions to political parties and election campaigns from foreign states or enterprises. This makes it possible for foreign agents to directly influence national democratic outcomes. In addition, less than half of OECD countries have established lobby registers, and not all of them cover influence from abroad, in particular activities conducted on behalf of foreign governments. Functioning lobby registers are a precondition for transparency over the activities of both national and foreign actors.

Second, public officials, and in particular elected and appointed officials, need a public integrity framework adapted to the risks related to lobbying and influence activities. This should include an effective system to manage pre/post public employment risks and other conflict-of-interest situations. Similarly, companies, business and trade associations, consultancies and law firms, non-governmental organisations, think tanks, research bodies and other organisations engaging in lobbying and influence activities need a transparency and integrity framework for engaging with the policy-making process.

Finally, greater transparency and internal controls are needed for residence-by-investment (RBI) and citizenship-by-investment (CBI) schemes. Evidence has shown that these programmes are highly vulnerable to misuse and abuse, and may be used to hide or facilitate financial and economic crimes, including corruption, tax evasion and money laundering. Some research also suggests that in small island nations, where these schemes can form a significant proportion of national income (sometimes up to 50%), the firms involved in facilitating these programmes

are also playing a significant role in political finance, lobbying and unduly influencing the government and encouraging corrupt activities (OECD, 2022[5]; OECD, 2019[110]).

Combatting mis- and disinformation

Governments must take effective action to tackle mis- and disinformation, the threats of which are enhanced in times of crisis. The existence of false and misleading information, and the challenges such content poses to governments and societies, is not new. Nevertheless, defending and strengthening information integrity has become particularly complex in the digital age. Anyone can be a source of information (or mis- and dis-information), content can be shared instantly and globally, and artificial intelligence (AI) tools facilitate the creation and dissemination of misleading content. In addition, malign foreign and domestic actors are using this new context to attack the integrity of information in democracies. More widely, the amplification of false and misleading content can undermine the public's willingness and ability to engage constructively in democratic life.

In this complex environment, regular crises provide increased opportunities for both misleading and malicious information to be fostered. The COVID-19 pandemic and the large-scale Russian aggression against Ukraine have underscored the threats posed by disinformation for democratic resilience. Growing numbers of individuals engage with mis- and disinformation across a range of social media platforms. For example, in New Zealand, the vectors, velocity, and volume of mis- and dis-information steadily increased in the months following the implementation of a COVID-19 "traffic light" system and the outbreak of Omicron (Hannah, Hattotuwa and Taylor, 2022[111]). There was an increasing spread of conspiracy theories in the run up to riots outside parliament (Smith, 2022[112]).

Democratic resilience requires a careful balance of actions to reduce the prevalence and impact of mis- and disinformation, while maintaining and strengthening fundamental freedoms. In democracies, reinforcing information integrity depends on many actors. Governments must be sources of transparent and accurate information, while also ensuring freedom and independence for media, researchers and civil society organisations. While many of the interventions in this space focus on counteracting false or misleading content, governance efforts to build information integrity should therefore be driven by a whole-of-government and whole-of-society perspective. Governments need to put in place effective institutional architecture to respond to dis- and misinformation. These include co-ordination mechanisms across government, the development of strategies and tools to support capacity building among public servants, the role of the public communication function, and participation in international collaboration mechanisms to identify threats and effective responses.

A whole-of-society response to information integrity includes media and digital literacy initiatives, promoting and maintaining a diverse and independent media sector, and structures to engage with non-governmental partners. Governments will also need to examine the opportunities and challenges of oversight and regulation. This includes identifying appropriate and effective regulatory processes; transparency frameworks for social media platforms; and efforts to map regulatory entry points and clarify the values, objectives and lessons of regulation in this space (OECD, 2022[5]). The OECD has recently established a *Mis- and Dis- Information Resource Hub* to identify new approaches to strengthen the integrity of information and collect evidence to identify what policy responses work across society.

Oversight of emergency powers and regulations

Emergency powers and regulations must be transparently governed, credibly time-bound and subject to review. Crises make the need for trusted, evidence-based, internationally co-ordinated and well-enforced policies and regulations particularly acute. A key challenge to democratic governance when facing crises is that the need for rapid action often clashes with wider principles of democratic governance, such as the need for consultation, participation, transparency and the assessment of impacts. In some crises, such as during COVID-19, effective crisis responses may involve restrictions even on fundamental democratic rights. In most OECD member countries, emergency COVID-19 measures gave the executive extensive law-making powers, sometimes with limited or next to no external and above all parliamentary scrutiny (OECD, 2022[25]). The proportionality and duration of the suspension of parliamentary scrutiny remains debated in many settings.

To maintain democratic resilience, it is important to have appropriate oversight over and limitations on the use of emergency powers and regulations. One common approach is to ensure emergency powers and regulations are explicitly temporary in nature. OECD countries self-reported a total of 190 specific regulations that were issued in response to the COVID-19 pandemic as of September 2020. Around half of these included a sunset clause (see OECD (2021[113]), Table 2.3). In a context where consulting with all potentially affected parties on urgent measures is challenging, policy makers may rely on advisory groups consisting of experts from all relevant areas. On crucial decisions, social partners and local governments might still be consulted, if time allows (OECD, 2020[114]). Robust and adequately resourced regulatory oversight bodies will play a crucial role in ensuring better regulation habits do not inadvertently fall in priority in a time of crisis (see OECD (2021[113]), Figure 3.10). Finally, it is important that fast-track or emergency regulations undergo *ex post* review, to ensure that measures are scrutinised and lessons learned.

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2. TRUST AND DEMOCRATIC GOVERNANCE

Levels of trust in public institutions

Drivers of trust in the civil service

Political efficacy

Levels of trust in public institutions

Trust is an important outcome indicator of public governance. Institutional trust is a multidimensional concept and provides a measure of how people perceive the quality of, and their association with, government institutions in democratic countries (OECD, 2022; Brezzi et al., 2021; OECD, 2017). Government investment in reinforcing trust is particularly important during times of multiple crises.

Trust in public institutions varies across countries, due to cultural, socioeconomic and institutional factors. Yet the first OECD Trust Survey found similar drivers of public trust among the countries surveyed (OECD, 2022).

Across the OECD countries surveyed, on average 41.4% of respondents have high or moderately high trust in their national government. Levels vary widely across countries, reaching over 60% in Finland and Norway, but falling below 30% in about one-quarter of countries. Trust also varies across public institutions. Local governments generally inspire more trust than national ones (46.9% of people say they have high or moderately high trust in their local government on average) and civil servants fare better than the local and national governments (50.2% report high or moderately high trust in the civil service). The courts and legal system enjoy the highest levels of trust (56.9%) but only 4 out of 10 respondents have high or moderately high trust in their legislature (Figure 2.1).

Most OECD countries are performing satisfactorily in public perceptions of government reliability, service provision, access to information, and preparedness for future crisis. However, governments are faring considerably less well in perceptions of governments' responsiveness to citizens' needs and wants, and citizens' participation, representation, and public integrity (OECD, 2022). Across OECD countries, women and those with lower levels of education and income report less trust in government. Perceived vulnerabilities seem to matter even more than current conditions: people who perceive themselves as financially insecure and, having a low social status, or feel they do not have a voice in what the government does, are consistently less trusting. On average, trust in the government among people who feel they have a say in the political system is 43 percentage points higher than among those who feel they do not (Figure 2.2).

During the COVID-19 pandemic in 2021, trust levels varied substantially but did not plummet as drastically as during the financial crisis in 2008. On average it took about a decade for public trust to recover from the 2008 crisis across OECD countries. Trust in the national government has followed different trends in OECD countries over the last 15 years. In Northern Europe for example, trust has been rising almost constantly since 2015; since 2019, countries in the region have recorded some of the highest levels of trust in national government among OECD countries. Other regions, such as Central and South America and Central and Eastern Europe, have been experiencing mixed trends over the last 15 years (Figure 2.3).

Methodology and definitions

Trust is defined as a person's belief that another person or institution will act consistently with their expectations of positive behaviour (OECD, 2017). The OECD explores perceptions of public governance using nationally representative data from the OECD Trust Survey conducted across 22 countries. Most countries were surveyed in November-December 2021, with a few surveys taking place in 2020 and January-March 2022. The OECD Trust Survey aggregates 11-point response scales as follows: 0-4 = Low / unlikely; 5 = Neutral; 6-10 = High / likely. The OECD Trust Survey has significant country coverage (usually 2 000 respondents per country), which allows subgroup analysis and help ensure the reliability of results. For a detailed discussion of the survey method and implementation, please find an extensive methodological background paper at *https://oe.cd/trust*.

The Gallup World Poll is a cross-national and longitudinal survey based on a nationally representative and probability sample of about 1 000 individuals where possible and in most countries. The survey is conducted as a mix of face-to-face and telephone surveys depending on the phone coverage in the country. Data were extracted in January 2023. For more information on the survey methodology please consult: *https://www.gallup.com/178667/gallup-world-poll-work.aspx*.

Further reading

OECD (2022), *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*.

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OECD (2017), *OECD Guidelines on Measuring Trust*, OECD Publishing, Paris, *https://dx.doi.org/10.1787/9789264278219-en*.

Figure notes

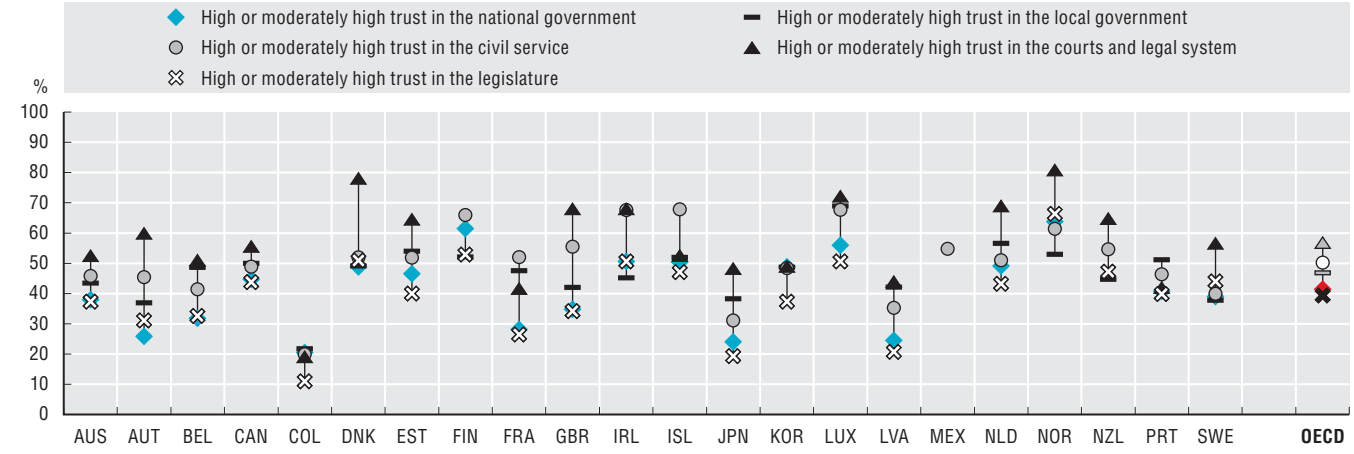
2.1 and 2.2. Refer to the question "On a scale of 0 to 10, where 0 is not at all and 10 is completely, how much do you trust the [national government / local government / civil service / courts and legal system / legislatures]?". High or moderately high trust corresponds to responses of 6-10. "OECD" is the unweighted average across countries. For Mexico, only data on trust in the civil service are available; for New Zealand, data for trust in national government are not available; for Finland, data on trust in courts and legal system and the legislature are not available.

2.2. Political voice refers to the question "How much would you say the political system in [country] allows people like you to have a say in what the government does?". High corresponds to responses of 6-10, low to 0-4. Neutral responses (corresponding to 5) are not included in the figure. Voted for incumbent party refers to responses to "Is the party you voted for in the last national election (or would have voted for if you didn't vote) currently part of the government?"

2.3. Refers to the share of respondents who answered yes to "In this country, do you have confidence in each of the following, or not? National government; Local government; Civil service; Courts and Legal System; Parliament/Congress". The only available answers were yes/no/don't know.

2.1. High and moderately high trust in national and local government, the civil service, the judiciary, and parliament, 2021

Share of respondents who indicate high or moderately high trust in various institutions



Source: OECD Trust Survey (*http://oe.cd/trust*).

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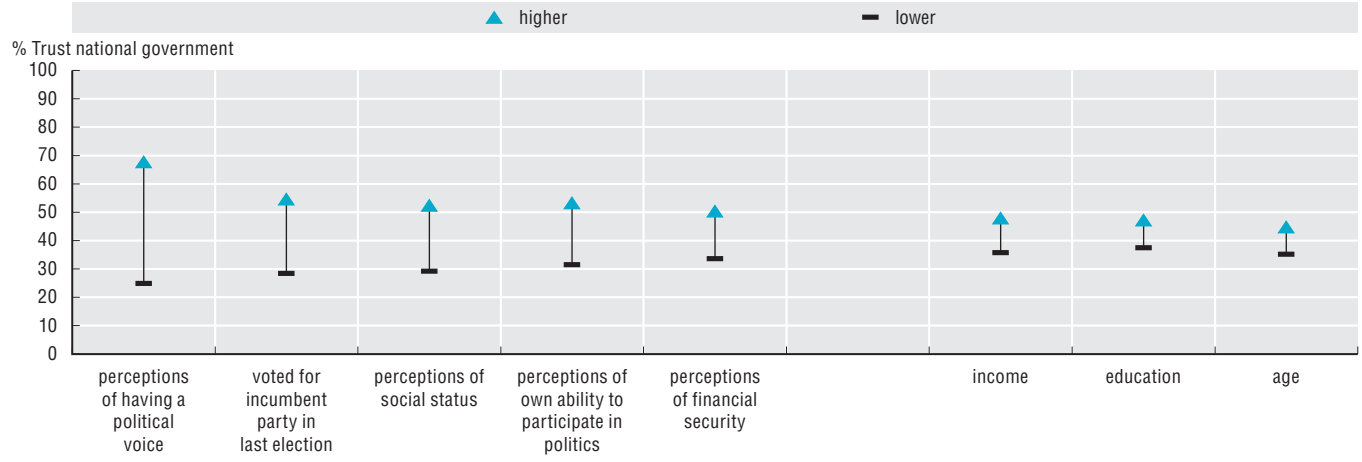
2.2. Trust in national government by subgroup, 2021

Share of respondents who indicate high or moderately high and low or no trust in national government by subgroups - OECD average



Source: OECD Trust Survey (*http://oe.cd/trust*).

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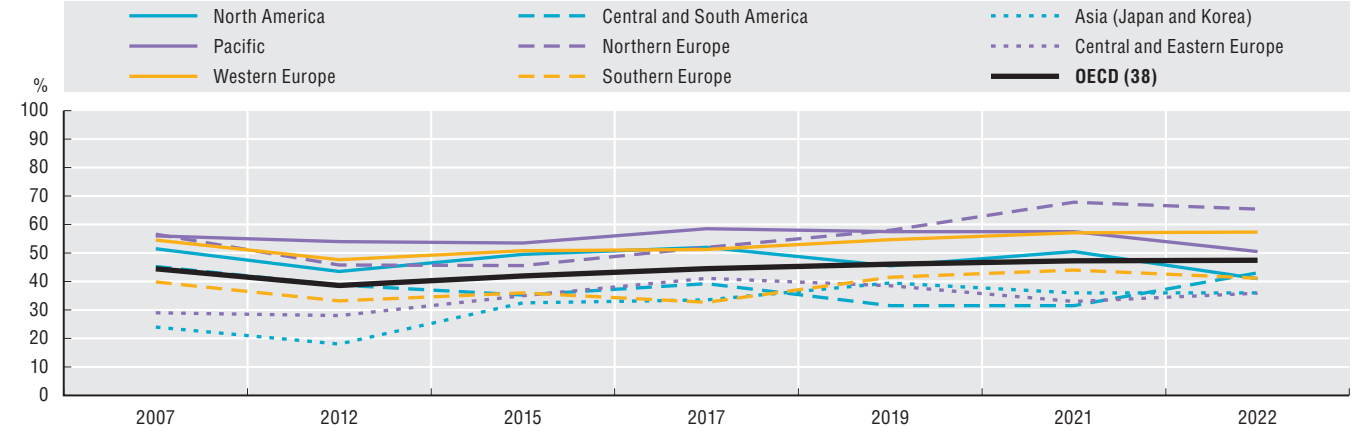
2.3. Confidence in national government, 2007-22

Share of respondents who indicate confidence in national government



Source: Gallup World Poll, 2007-22.

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Drivers of trust in the civil service

The main drivers of public trust vary for different institutions and levels of government. Analysis based on the 2021 OECD Trust Survey finds that levels of trust in the civil service are most influenced by perceptions of government reliability, as well as the responsiveness and fairness of public services (OECD, 2022).

Reliability – the extent to which people are satisfied with administrative services, and are confident the government uses personal data legitimately and is prepared for a contagious disease – has the greatest potential impact on trust in the civil service. According to the OECD Trust Survey, 63.0% of respondents are satisfied with administrative services. A slight increase (one standard deviation) in satisfaction with such services, with all other conditions remaining the same, could lead to an increase in trust in the civil service of 6 percentage points (Figure 2.4). Other factors with a positive and statistically significant influence on trust in the civil service include the perception that both rich and poor are treated fairly when applying for public benefits, the perceived readiness of the civil service to adopt innovation, and feelings of having a say in what the government does. While these results show how important these governance factors are in promoting trust, the starting points vary: different factors have different existing levels of satisfaction. Across countries, only 30.2% of respondents on average feel they have a say in what the government does, while 58.5% believe their application for government benefits would be treated fairly – indicating that, although both would yield similar increases in trust in the civil service, governments have more room to improve in the former (Figure 2.4).

Informing the population about how their personal data are gathered, processed, stored and used is an important aspect of government efforts to improve perceived reliability and thereby increase trust in the civil service (Figure 2.4). On average across countries, 51.1% of people expect the government to use their personal data solely for legitimate purposes. Respondents in Denmark, Iceland, Ireland, the Netherlands and Norway have especially high levels of trust in the government's use of their data (Figure 2.5).

Agility in adopting new ideas is a key aspect of responsiveness and one of the drivers of trust in the civil service. The OECD Trust Survey finds that just 38% of people on average feel that a public agency would be likely to adopt innovative ideas to improve a public service, although there is variation across countries. People who expect such innovation are much more likely to trust civil servants (70%) than those who don't (33%). In all the countries surveyed, trust in the civil service is always higher among people who feel there is room for innovation in government, although the size of the trust gap varies widely (Figure 2.6).

Methodology and definitions

Trust is defined as a person's belief that another person or institution will act consistently with their expectations of positive behaviour (OECD, 2017). The OECD explores perceptions of public governance using nationally representative data from the OECD Trust Survey conducted across 22 countries. Most countries were surveyed in November-December 2021, with a few surveys taking place in 2020 and January-March 2022. The OECD Trust Survey aggregates 11-point response scales as follows: 0-4 = Low / unlikely; 5 = Neutral; 6-10 = High / likely. The OECD Trust Survey has significant country coverage (usually 2 000 respondents per country), which allows subgroup analysis and help ensure the reliability of results. For a detailed discussion of the survey method and implementation, please find an extensive methodological background paper at *https://oe.cd/trust*.

Further reading

OECD (2022), *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*.

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OECD (2017), *OECD Guidelines on Measuring Trust*, OECD Publishing, Paris, *https://doi.org/10.1787/9789264278219-en*.

Figure notes

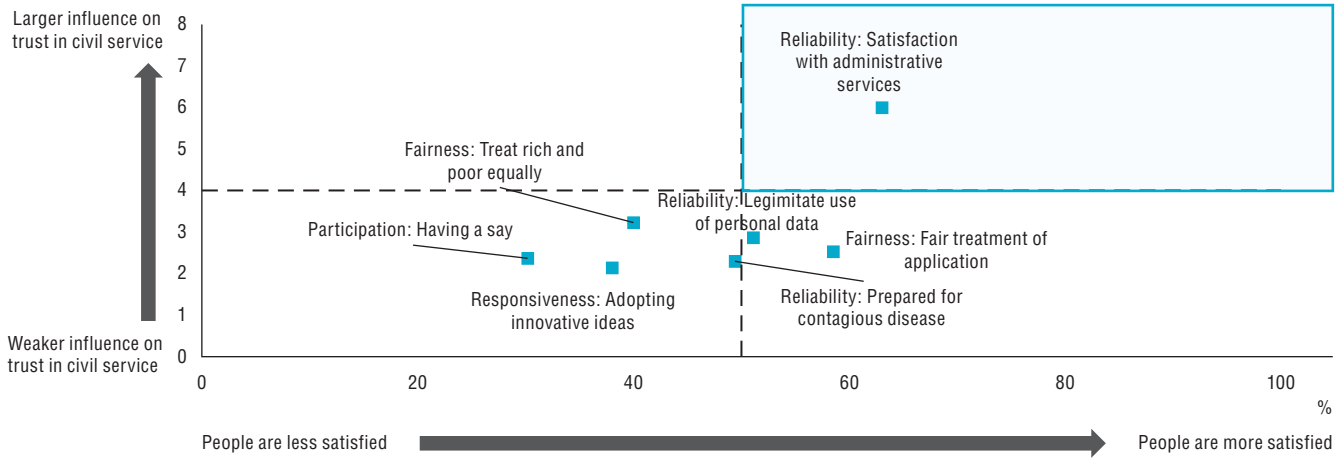
2.4. Shows the most robust determinants of trust in civil service in a logistic estimation that controls for individual characteristics, levels of interpersonal trust, and country fixed effects. The model covers 18 countries; Finland, Mexico, New Zealand, and the United Kingdom are excluded due to missing variables. Only questions derived from the OECD Trust Framework, and those with highest coefficients, are depicted while individual characteristics such as age, gender, and education, which also may be statistically significant, are not shown.

2.5. Refers to question "If you share your personal data with a public agency/office, how likely or unlikely do you think it is that it would be exclusively used for legitimate purposes?". Likely corresponds to responses of 6-10 on 0-10 scale, neutral to 5 and unlikely to 0-4. Finland and New Zealand are excluded as data are not available.

2.6. Refers to the question "If there is an innovative idea that could improve a public service, how likely or unlikely do you think it is that it would be adopted by the responsible public agency/office?". Likely corresponds to responses of 6-10 on a 0-10 scale. "OECD" presents the unweighted average across countries. Mexico is excluded as data are not available. High or moderately high trust corresponds to responses of 6-10 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 civil service (non-elected government employees at central or local levels of government)."

2.4. Determinants of trust in the civil service, 2021

Percentage point change in trust in the civil service in response to improvements in selected variables (Y-axis), and share of the population who are satisfied with the variable (X-axis)



Source: OECD Trust Survey (*http://oe.cd/trust*).

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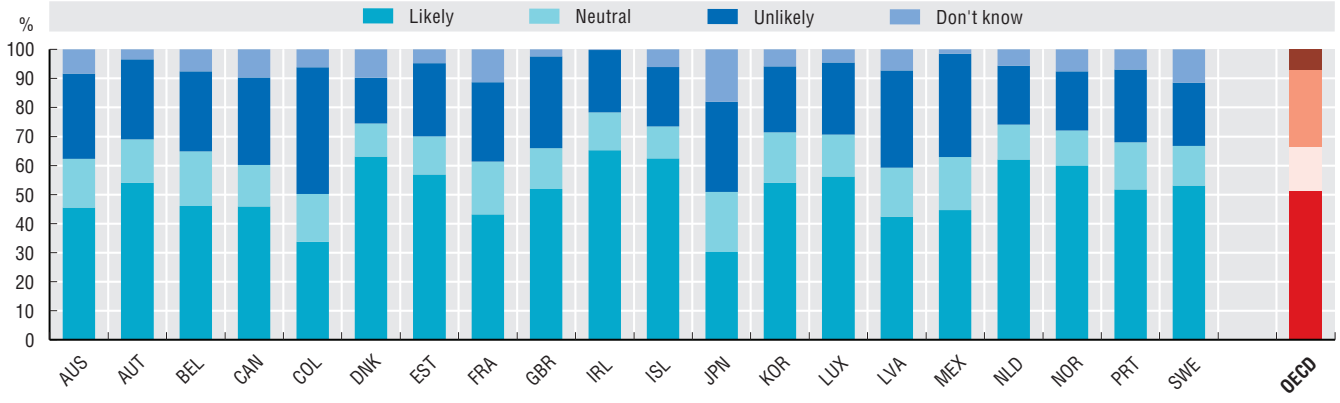
2.5. Trust in government use of personal data, 2021

Share of respondents reporting different levels of perceived likelihood that their government would use personal data exclusively for legitimate purposes



Source: OECD Trust Survey (*http://oe.cd/trust*).

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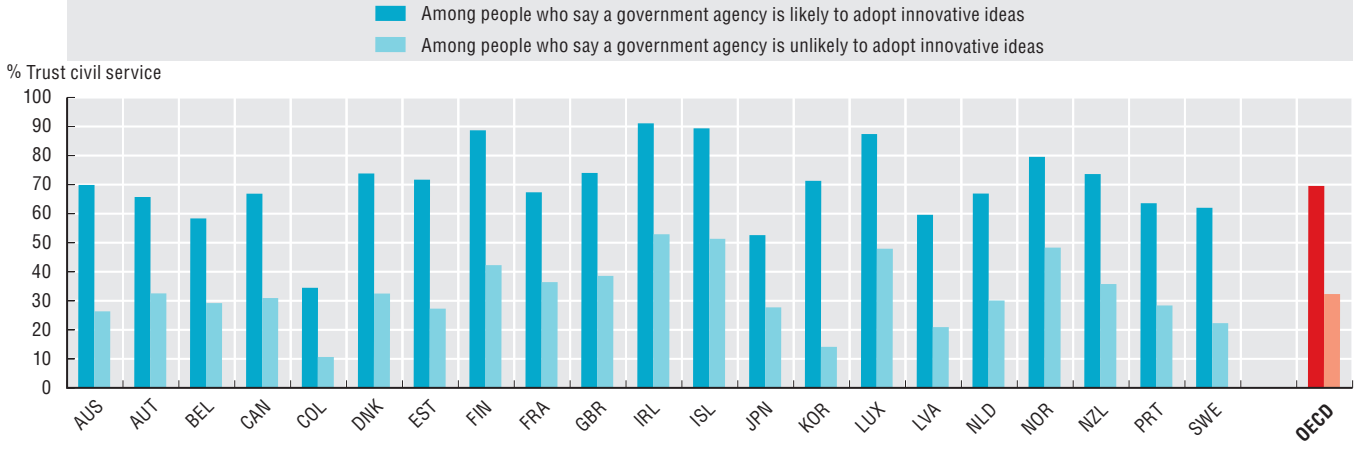
2.6. Trust in the civil service and perceptions of government innovativeness, 2021

Share of respondents who indicate high or moderately high trust in the civil service, sorted by their perception that a government agency would or would not adopt an innovative idea



Source: OECD Trust Survey (*http://oe.cd/trust*).

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Political efficacy

A fundamental element of democracy is the principle that people are free to express opinions and have equal opportunities to be represented in government decision-making. People who feel they can influence political processes are more likely to participate in civic life through voting, or by engaging with politicians and political parties. Active engagement in politics builds stronger democratic values and ensures the political system's legitimacy. People who feel they have no political voice, are less likely to comply with laws and regulations, and more likely to engage in protests such as boycotts, or to exit the democratic process entirely by not engaging or abstaining from voting (Prats and Meunier, 2021).

Political efficacy refers to the feeling that one's political input has an impact on political processes. Political efficacy has two dimensions: internal efficacy, or the confidence to understand and participate in political processes, and external efficacy, or the feeling of having a say in what the government does. On average across OECD countries, 41% of people are confident they are able to participate in politics but only 30.2% feel that the political system in their country lets them have a say (Figure 2.7).

Perception about government responsiveness to public feedback and capacity to allow people to have a voice, are associated with government initiatives to include people in policy making. In turn, lack of responsiveness could lead to perceptions that the system works in the interests of a few, fuelling political alienation (OECD, 2022). The OECD Trust Survey finds a positive association between the share of people who expect that a national policy would be changed if most people expressed a view against it and the share of people who feel they have a political voice. On average, only 36.5% of respondents say a national policy would be changed if a majority of the population opposed the policy (Figure 2.8).

More broadly, external efficacy is also positively correlated with people's satisfaction with democracy, which is said to measure people's satisfaction with how democracy works in practice (Poses and Revilla, 2021). The latest data from the European Social Survey confirms the positive association between the perception of having a say in what the government does and satisfaction with democracy. Iceland, Norway and Switzerland score highly on both (Figure 2.9).

Methodology and definitions

The OECD explores perceptions of public governance using nationally representative data from the OECD Trust Survey conducted across 22 countries. Most countries were surveyed in November-December 2021, with a few surveys taking place in 2020 and January-March 2022. The OECD Trust Survey aggregates 11-point response scales as follows: 0-4 = Low / unlikely; 5 = Neutral; 6-10 = High / likely. The OECD Trust Survey has significant country coverage (usually 2 000 respondents per country), which allows subgroup analysis and help ensure the reliability of results. For a detailed discussion of the survey method and implementation, please find an extensive methodological background paper at *https://oe.cd/trust*.

The European Social Survey (ESS) is a cross-national survey established in 2001 and conducted biennially to measure people's attitudes, beliefs and behaviour. The latest data from Wave 10 were collected between September 2020 and May 2022 in 32 countries; 9 countries piloted self-completion (web-based) surveys instead of face-to-face surveys due to the COVID-19 pandemic. The minimum sample size is 1 500, or 800 for countries with a population of less than 2 million.

Further reading

OECD (2022), *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*.

Poses, C. and M. Revilla (2021), "Measuring satisfaction with democracy: how good are different scales across countries and languages?", *European Political Science Review*, Vol. 14/1, pp. 18-35, *https://doi.org/10.1017/s1755773921000266*.

Prats, M. and A. Meunier (2021), "Political efficacy and participation: An empirical analysis in European countries", *OECD Working Papers on Public Governance*, No. 46, OECD Publishing, Paris, *https://doi.org/10.1787/4548cad8-en*.

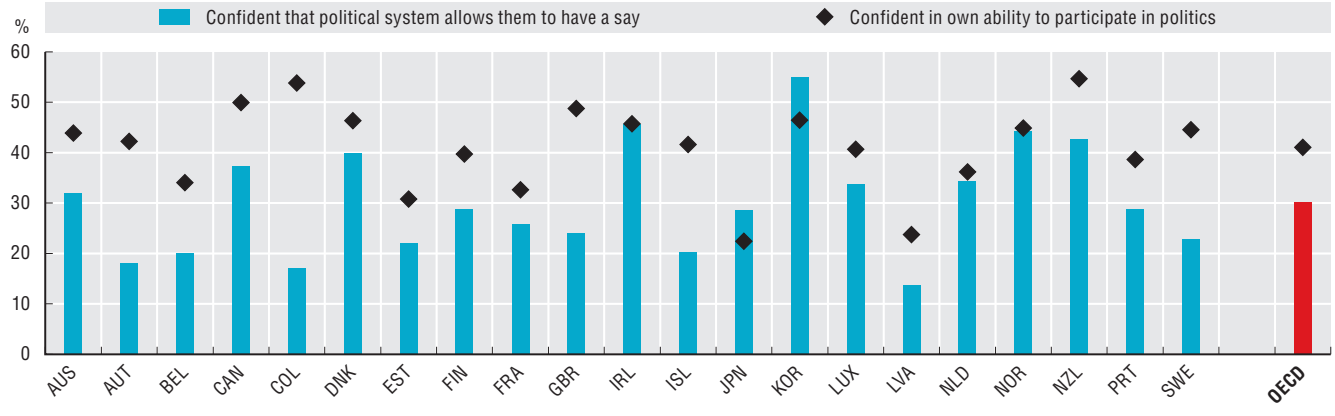
Figure notes

2.7. Refers to the questions "How much would you say the political system in your country allows people like you to have a say in what the government does?" and "How confident are you in your own ability to participate in politics?" Confident corresponds to responses of 6-10 on a 0-10 scale.

2.8. Refers to the questions "If over half of the people clearly express a view against a national policy, how likely or unlikely do you think it is that would be changed?". Likely corresponds to responses of 6-10 on 0-10 scale, neutral to 5 and unlikely to 0-4.

2.9. Refers to the questions "And on the whole, how satisfied are you with the way democracy works in [country]?" and "And how much would you say that the political system in [country] allows people like you to have an influence on politics?" Confident corresponds to responses of 6-10 on a 0-10 scale to the first question, and satisfied to responses of 4 (a lot) and 5 (a great deal) on a 1-5 scale to the second.

2.7. External and internal political efficacy, 2021



Source: OECD Trust Survey (*http://oe.cd/trust*).

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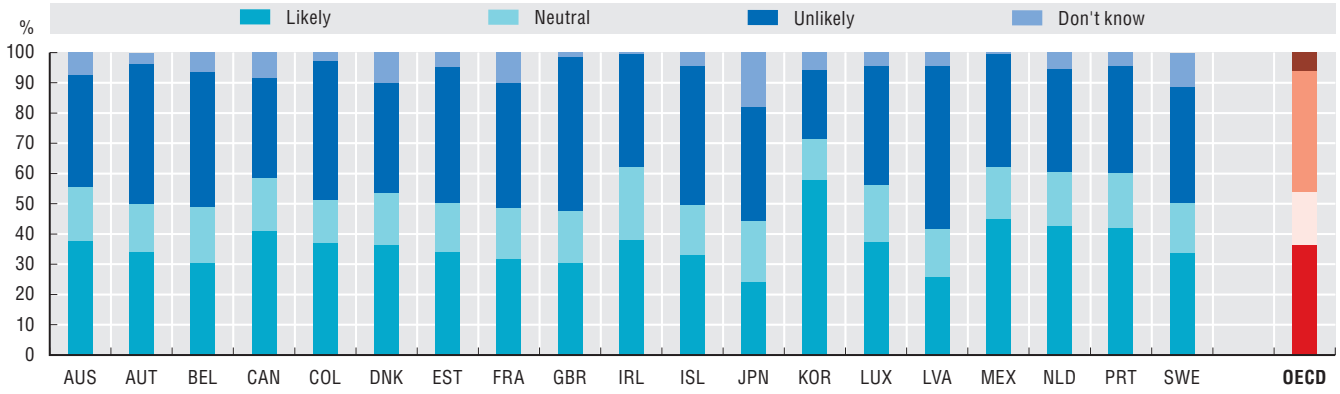
2.8. Perceptions of responsiveness of policies to public feedback, 2021

Share of respondents reporting different levels of perceived likelihood that a national policy would be changed if a majority of people expressed a view against it (on a 0-10 scale)



Source: OECD Trust Survey (*http://oe.cd/trust*).

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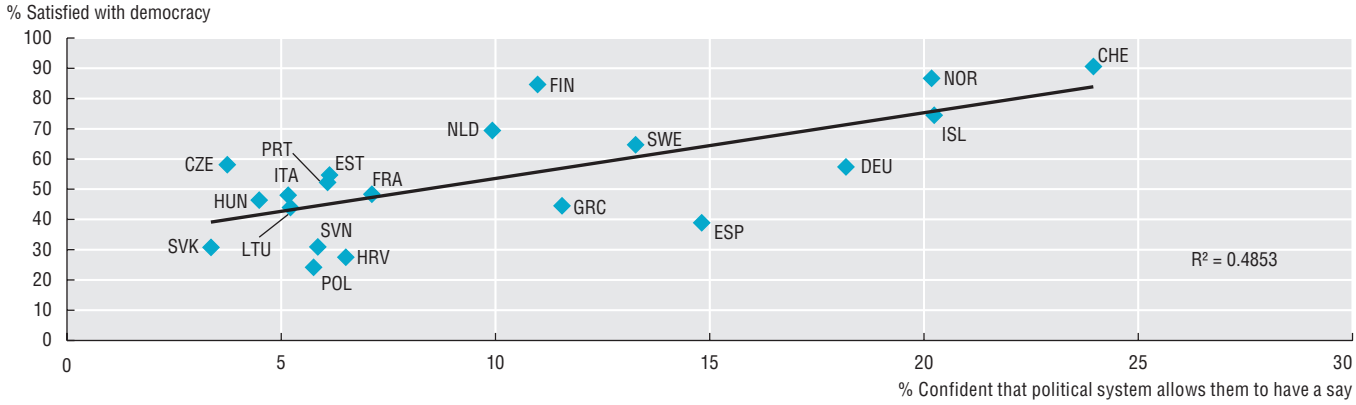
2.9. External political efficacy and satisfaction with democracy, 2021



Source: OECD calculations based on the European Social Survey, Wave 10.

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3. SATISFACTION WITH PUBLIC SERVICES

Serving citizens scorecards

This chapter describes how OECD countries are performing in terms of the accessibility, responsiveness and quality of selected public services, based on the OECD Serving Citizens Framework. The framework seeks to assess the main determinants of user satisfaction with services which, in turn, can be considered as an outcome measure of these three attributes. Overall satisfaction with services has become the go-to indicator when seeking a quick measure of whether services are performing well against users' needs and expectations. Satisfaction measures have strong links with other relevant measures of citizens' attitudes and behaviour. Satisfaction is linked to trust in public institutions and to the levels of responsiveness and reliability of public institutions.

The scorecards summarise key attributes of service delivery through a set of sector-specific measures for education, health, justice and, for the first time in this edition, administrative services (e.g. obtaining an ID or applying for a benefit). They illustrate how the performance of different public services can be compared, even when they are organised in different ways and address different aspects of societal and individual life. Although country rankings are provided, these are only calculated to compare indicators with different measurement units and that capture different phenomena. As such, the scorecards do not provide a comprehensive picture of which countries have the best overall services and at what level they are provided, nor should they be used for this purpose.

The Serving Citizens Scorecards were introduced in the 2017 Government at a Glance, and the indicators are selected by experts from the OECD on each sector. The criteria for selection are: 1) adequacy (i.e. the indicator represents the concept being measured); 2) policy relevance; 3) data availability and coverage; and 4) data interpretability (i.e. no ambiguity whether a higher/ lower value means better/worse performance). The selected indicators are intended to provide an overview of the relevant aspects for each service. For this reason, the choice of measures differs across services (e.g. school enrolment for education and healthcare coverage for healthcare are both measures of accessibility).

Table 3.1. OECD Serving Citizens Framework indicators

	Healthcare	Education	Justice	Administrative services
Accessibility	• *Healthcare coverage* • *Household out-of-pocket payments as a share of total health spending* • *Percentage of people with unmet healthcare needs due to cost, distance or waiting times.* • *Practising physicians per 1 000 people*	• *Private expenditure on education as a share of total spending on education (primary to tertiary)* • *Enrolment at age 3 and 4 in early childhood and pre-primary education* • *First-time tertiary entrants' rates under 25*	• *People can access and afford civil justice* • *Alternative dispute resolution mechanisms are accessible, impartial and effective*	• Share of population who expect administrative information to be easily accessible
Responsiveness	• *Median waiting time for cataract surgery from specialist assessment to treatment*	• *Young people (aged 15-29) years not in education, employment or training (NEET)*	• *Disposition time for first instance civil and commercial non-litigious cases* • *Disposition time for first instance civil and commercial litigious cases* • *Disposition time for first instance administrative cases*	• Level of user support available in EU countries • Share of respondents who expect their application for a government benefit or service to be treated fairly
Quality	• *Diabetes hospital admission in adults* • *Thirty-day mortality after admission to hospital for ischaemic stroke*	• *Mean PISA score in mathematics*	• *Civil justice is free from improper government influence* • *People do not resort to violence to redress personal grievances*	• No indicators for this edition

Note: The indicators in *italics* are included in the scorecards.

Source: Indicators on healthcare coverage, household out-of-pocket payments and practising physicians per 1 000 people are from OECD Health Statistics. The percentage of people with unmet healthcare needs due to cost, distance or waiting times is from Eurostat, the statistical office of the European Union. Data on private expenditure on education as a share of total spending on education and first-time tertiary enrolment rates are from OECD Education Statistics. Mathematics scores are from OECD (2012 and 2018) PISA (database). Indicators on alternative dispute resolution mechanisms and the use of violence to redress personal grievances are from the World Justice Project Rule of Law Index. Disposition times for first instance civil and commercial litigious cases and first instance administrative cases are from the European Commission for the Efficiency Justice report. The remaining sources for the indicators can be found in the pages below.

Scorecard interpretation

Each scorecard focuses on one dimension of the Serving Citizens framework (*accessibility*, *responsiveness* or *quality*) across three service areas (health, education and justice). For each indicator, countries are classified into three groups: 1) green for values above (or below, depending on the indicator) a standard deviation from the mean; 2) red for values below (or above, depending on the indicator) a standard deviation from the mean; and 3) orange for values within one standard deviation of the mean.

For each indicator, all countries with data available are ranked (the country with the best performance on an indicator is ranked number one). If several countries have the same value for an indicator, they are assigned the same rank. Where trend data are available, arrows indicate whether countries' absolute performance has improved (↑), declined (↓) or remained stable (→) relative to the most recent available year. Unless otherwise specified, the criterion for showing improvement or decline is a change of 1 percentage point (if the indicator is expressed as a percentage) or of 1%. The last row of the scorecard indicates both the base year and the most recent year with available data for the comparison.

Overview of results

The following section provides an overview by the three dimensions considered in the scorecards. *Accessibility* can be thought of people's ability to obtain appropriates service in case of need and the indicators cover affordability, geographic proximity and how easy it is to access information. *Responsiveness* refers to how quickly and well public organisations respond to people's expectations. This implies that public services take into account the needs, preferences, perspective and dignity of individuals who use them, and that they are provided without unreasonable delay. This includes the aspects of courtesy and equal treatment, matching services to special needs (i.e. whether service providers adapt delivery to the different segments of the population, such as people with disabilities), and timeliness. *Quality* is the degree to which services increase the likelihood of desired outcomes and are consistent with current professional knowledge the indicators cover aspects of effective delivery and outcomes, consistency in service delivery and outcomes, and security (safety).

Accessibility of public services

Most OECD countries have achieved universal or near-universal healthcare coverage, either through private or public insurance schemes. Coverage has remained stable among most top performers since 2020. Costa Rica, Estonia, Poland and the United States have experienced significant increases in health coverage in recent years.

The range of services covered by health insurance schemes and the extent to which patients must cover expenses from their own resources varies across OECD countries. For example, in Mexico, given the limited coverage of public healthcare, a considerable proportion of health expenditure comes from out-of-pocket (OOP) expenditure by citizens. However, OOP expenditure is not the only measure of access to care. Geographic proximity can also be used to assess the accessibility of healthcare. An under-supply of physicians can lead to longer waiting times or patients having to travel further to access services (OECD, 2021).

A complementary indicator of access to healthcare is the share of the population reporting that they had an unmet need for medical examination or treatment. According to the European Union Survey of Income and Living Conditions (EU SILC), OECD-EU countries have maintained their overall performance on unmet needs between 2020 and 2021 despite the COVID-19 pandemic. Indeed, in Estonia, the share of people reporting an unmet need for medical examination fell significantly, from 13.0% to 8.1%. There were also decreases in Türkiye (1.1 percentage points), Finland (1.0 p.p.) and Latvia (0.7 p.p.). Austria has one of the lowest shares of citizens self-reporting unmet medical needs while at the same time ranking 19th for household OOP payments as a share of total health expenditure.

Education systems across the OECD provide universal access to education for children of compulsory school age, which varies across countries. However, the average enrolment rate for 4-year-olds is 89%, with 12 out 37 OECD countries (data for Canada were not available) below this average. For example, the United Kingdom has achieved 100% enrolment in early childhood education. A significant contributing factor is that every 4-year-old is entitled to 15 hours of free care whether in public or private institutions (UK Government, 2022). In other countries, such as Finland, the provision of early childhood education is predominantly channelled through the public system. First-time tertiary enrolment rates for those under 25 also vary across countries. Among the factors affecting access to both early childhood and tertiary education is the level of public resources made available to finance them, and the relative shares of public and private education expenditure. In some contexts, a high share of private funding is due to government grants and transfers to households and other private entities involved in financing education.

To access justice, individuals must be aware of their rights and of the mechanisms in place to resolve their disputes and must be able to afford the cost of the process. Denmark, Germany, the Netherlands and Sweden have the most affordable and accessible civil justice systems for citizens. Alternative dispute resolution (ADR) refers to mechanisms for settling disputes outside of the courtroom; Denmark, Estonia, Korea and Norway have the most accessible, impartial and effective ADR mechanisms.

The accessibility of administrative services relates to the government's capacity to accurately recognise the diversity and nature of the public's needs, and efficiently meet them. This capacity varies in terms of access to information, geographical distance, facilities for users, delivery channels, etc. One relevant measure of access to administrative services is public

expectations about how easy it would be to find information about services. In the 2021 OECD Survey on the Drivers of Trust in Public Institutions, for instance, 66% of respondents expected information about administrative procedures to be easily available in their country (OECD, 2021).

Responsiveness of public services

Long waiting times for healthcare can worsen patients' symptoms and reduce their satisfaction. In 7 out of 16 OECD-EU countries with available information (44%), waiting times for cataract operations, the commonest elective surgery, increased between 2015 and 2020. These results are probably influenced by the COVID-19 pandemic, as most countries suspended elective (non-urgent) care during the pandemic to divert efforts towards COVID-19 patients and avoid people being infected while seeking care. The reopening of these services was often gradual, and some activities were suspended again in subsequent waves of the pandemic. Despite this, seven countries managed to reduce the median waiting time over that period. This includes Italy, which had the shortest median waiting time for cataract surgery in 2020, at 20 days.

The responsiveness of education systems is examined by looking at their success in meeting the varying needs of students. Across the OECD, the age when compulsory education ends ranges from 15 in Colombia to 19 in Switzerland. One measure of responsiveness is the share of young people who are not in any form of employment, education, or training (NEET). The Netherlands, Norway, Mexico and Sweden have the smallest share of 15-29 year-olds who are NEET. Absolute NEET levels have worsened in 12 of 26 countries and improved in only 6 in this year's edition. This may reflect the economic impact of COVID-19, as data from 2021 are compared with data from 2017. Across and within OECD countries, governments were not able to offer the same opportunities for remote learning during the pandemic. For example, a large proportion of students from disadvantaged socio-economic backgrounds did not have access to a computer at home (OECD, 2020).

Delays in resolving judicial cases can cause plaintiffs to drop cases, incur costs, or dissuade them from pursuing a legal route in future. The scorecards examine the responsiveness of the justice system using data on disposition time for three types of cases (litigious civil and commercial cases, non-litigious civil and commercial cases, and administrative cases). The time needed to resolve a case depends on factors including the procedures followed to allocate and solve cases, the complexity of the case, the number of staff working for the judiciary system, the number of incoming cases, and the use of technology to reduce administrative work. Among the countries for which data are available, Hungary, Lithuania and the Netherlands take the least amount of time to resolve cases in first instance courts for civil and commercial (litigious and non-litigious) cases and administrative cases.

Fairness, feedback and equity underpin responsive administrative services. By establishing communication channels, governments can provide better services to meet their population's heterogeneous needs. The user support indicator evaluates the availability of such communication channels, through which people can receive updates on the status of their complaints or inquiries. In 2021 Finland, Italy and Türkiye reached the maximum score of 1.0 points (on a scale from 0 to 1) on user support availability, while the average across the OECD-EU members was 0.93 points (European Commission, 2022). Moreover, the public's view on how fairly a generic government benefit or service might be delivered is significantly correlated with trust in civil servants (Morgan and James, 2022). User support measure thus assesses the presence and effectiveness of communication channels between the government and citizens, which ultimately impacts overall satisfaction and trust in public services.

Quality of public services

Quality of healthcare delivery is gauged by looking at patient outcomes for two health conditions. The first, the rate of hospitalisation due to diabetes, is used as an indicator of the quality of primary care. Diabetes is a chronic condition which can be managed effectively through a combination of prevention and treatment. As such, high levels of hospitalisations for diabetes indicate issues with the quality of primary care. The second indicator, the 30-day case-fatality rate after admission to hospital for an ischaemic stroke, measures the quality of acute care. This measure reflects the care processes, such as the timely transport of patients to the hospital and effective medical interventions (OECD, 2015).

In 2019, Iceland and Italy were the two most effective OECD countries in avoiding diabetes hospitalisations, while Iceland also has the lowest 30-day mortality rate following stroke hospitalisation, having improved since 2015. Latvia, Mexico and Poland are less effective in both preventative and acute healthcare, although the situation has improved over the past years. However, quality of healthcare may be influenced by a number of different factors. Some countries are top performers in acute care but the opposite in preventative care, such as Korea, which ranked second for 30-day mortality following stroke hospitalisations but 30th out of 32 countries for diabetes hospitalisation rates.

Outcomes are also an efficient way to capture education system quality. By assessing how effectively students use the skills they are being taught, tests such as the OECD Programme for International Student Assessment (PISA) are a useful measure of educational quality. In 2018, students across OECD countries scored an average of 487 points in mathematics in PISA; students in Japan (527 points), Korea (526 points) and Estonia (523 points) achieved the highest average scores.

The World Justice Project (WJP) compiles data on the enforcement of the law around the world by asking experts and the general population how likely individuals are to pursue self-administered justice by resorting to violence to redress grievances, how likely the government is to influence a judge in a lawsuit against the state and how likely court decisions are to be enforced. Ireland's justice system is ranked as the most impartial, and as the country where people are least likely to use violence in response to personal grievances. Between 2016 and 2022, OECD countries have generally maintained their score regarding civil justice free from improper government influence. Only two countries have experienced significant decline in this area. The outlook has been similar for how likely people are to resort to violence to settle grievances, except in Spain, where the score improved by 0.10 points between 2016 and 2022, and Slovenia, where it increased by 0.14 points.

Further reading

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Serving citizens scorecards

Scorecard 1. Accessibility of services

	Healthcare								Education						Justice			
	Total public and primary voluntary health insurance coverage		Household out-of-pocket payment as a share of total health spending		Self-reported unmet needs for medical examination		Practicing physicians per 1 000 people (head counts)		Relative shares of private expenditure on educational institutions		Enrolment rate at age 4 (in early childhood and primary education)		First-time tertiary enrolment rates under 25		People can access and afford civil justice		Alternative dispute resolution mechanisms are accessible, impartial and effective	
Australia	1	→	17	↓	n.a.		12	↑	34	→	28	↓	10	↓	23	→	11	↓
Austria	2	→	22	↓	3	→	1	↑	7	↑	16	→	17	↑	12	↑	26	→
Belgium	4	→	19	↓	9	→	20	↑	6	→	2	→	33	→	7	↑	15	↓
Canada	1	→	7	↓	n.a.		24	↑	27	↑	n.a.		n.a.		24	↑	19	↓
Chile	7	↑	35	↓	n.a.		n.a.		36	→	29	↓	16	↑	13	↓	24	↓
Colombia	8	↓	15	↓	n.a.		n.a.		33	→	27	↑	8	↓	25	↑	28	→
Costa Rica	12	↓	27	↓	n.a.		n.a.		n.a.		21	↑	n.a.		16	↑	21	→
Czech Republic	1	→	6	↓	3	→	10	↑	11	↓	25	→	22	↑	19	↓	9	↑
Denmark	1	→	11	→	8	→	9	↑	8	↑	4	→	6	↓	2	↑	3	↓
Estonia	6	↑	29	↓	24	↓	14	→	9	↓	19	→	15	↑	8	↑	4	↑
Finland	1	→	20	↓	20	→	14	→	1	→	24	↑	5	↓	10	↑	20	↑
France	2	→	2	→	16	↑	21	→	16	→	1	→	29	↑	20	↑	10	↓
Germany	2	→	8	→	1	→	5	↑	17	→	14	→	11	↓	3	↑	7	↓
Greece	1	→	37	↓	23	↓	n.a.		10	→	31	↑	27	↑	21	↑	22	↑
Hungary	10	↓	31	↓	7	→	22	→	25	↑	3	↑	24	→	27	↑	30	↓
Iceland	1	→	18	↓	18	→	7	↑	5	→	9	↓	12	↑	n.a.		n.a.	
Ireland	1	→	5	↓	12	→	15	↑	19	↓	1	→	26	↑	n.a.		n.a.	
Israel	1	→	23	↓	n.a.		18	↑	24	↑	6	→	2	→	n.a.		n.a.	
Italy	1	→	28	↓	10	↓	11	↑	18	→	11	→	31	→	22	↑	25	↑
Japan	1	→	14	→	n.a.		26	↑	31	→	1	↑	35	→	15	→	5	↓
Korea	1	→	32	↓	n.a.		27	↑	28	↓	15	↓	34	→	11	→	2	↓
Latvia	1	→	36	↓	19	↓	17	↑	20	↑	17	→	9	↑	n.a.		n.a.	
Lithuania	3	↑	34	↓	15	→	4	↑	13	→	22	↑	19	↓	n.a.		n.a.	
Luxembourg	1	→	1	↓	6	→	n.a.		3	→	5	↑	23	↑	n.a.		n.a.	
Mexico	14	↓	38	↓	n.a.		28	→	29	↑	23	↓	20	→	31	↓	31	↑
Netherlands	2	→	3	↓	2	→	13	↑	22	→	13	→	32	→	1	↑	6	→
New Zealand	1	→	12	→	n.a.		16	↑	26	↓	26	↓	7	↑	5	↑	12	→
Norway	1	→	16	→	5	→	2	↑	2	→	8	→	13	→	9	↑	1	→
Poland	11	↑	25	↓	15	↓	19	↑	14	↑	20	↑	21	→	18	↑	17	↓
Portugal	1	→	33	↓	13	→	n.a.		21	↓	10	↑	25	→	17	→	18	↓
Slovak Republic	9	↑	24	→	17	↑	n.a.		15	→	30	↑	18	→	26	n.a.	29	n.a.
Slovenia	1	→	9	→	22	↑	19	↑	12	→	18	↑	30	→	14	↑	14	↑
Spain	1	→	26	↓	7	→	3	↑	23	→	7	→	28	→	6	↑	13	↑
Sweden	1	→	13	↓	8	→	8	↑	4	→	12	→	1	→	4	↑	8	↑
Switzerland	1	→	30	↓	4	→	6	↑	n.a.		33	→	3	↑	n.a.		n.a.	
Türkiye	5	→	21	→	11	↓	n.a.		30	↑	34	↓	4	↓	28	↑	27	↓
United Kingdom	1	→	10	↓	21	↑	23	↑	35	↑	1	→	14	↓	29	↓	16	↑
United States	13	↓	4	↓	n.a.		25	→	32	→	32	↓	n.a.		30	↑	23	↓
Year	2020	2015	2020	2015	2021	2015	2020	2015	2019	2015	2020	2017	2020	2018	2022	2016	2022	2016

Countries are listed in alphabetical order. The number in the cell indicates the position of each country among all countries for which data are available. Arrows indicate whether absolute performance has improved (↑), declined (↓) or remained stable (→).

Performance one standard deviation above (below) the mean

Performance within one standard deviation from the mean

Performance one standard deviation below (above) the mean

Notes: For healthcare coverage, countries were grouped as follows: green, 95-100% healthcare coverage; orange, 90-95% coverage; and red, less than 90% coverage. Data on healthcare coverage for Colombia are for 2019 rather than 2021. Data for Japan are for 2020 rather than 2021. Unmet care needs refers to the proportion of people who reported that they forewent healthcare appointments or treatment due to any of cost, distance or waiting times. Data on first time tertiary enrolment rates under 25 for Japan are for 2016 rather than 2018. In Australia, New Zealand, the United Kingdom and the United States, the high share of private expenditure on education is associated with a large share of students receiving loans and scholarships. For access and affordability of civil justice and alternative dispute resolution mechanisms indicators, improvement entails an increase of 0.1 points in the index and decline a decrease of the same size. Details on data for other indicators are provided in the corresponding sections. Countries are ranked in ascending order, except for OOP expenditure as a share of total health spending, unmet care needs and private expenditure on education, where they are ranked in descending order. Improvements in OOP in 2020 could be the results of postponed care due to the COVID-19 pandemic.

Source: OECD Health Statistics (database); Eurostat (2022); OECD Education Statistics (database); World Justice Project (2022), Rule of Law Index 2022.

Scorecard 2. Responsiveness of services

	Healthcare		Education		Justice					
	Median waiting times for cataract surgery		NEET aged 15-29 years		Disposition time for litigious civil and commercial cases		Disposition time for civil and commercial non-litigious cases.		Disposition time for administrative cases	
Australia	15	↑	18	→	n.a.		n.a.		n.a.	
Austria	n.a.		21	→	7	↑	4	↑	19	↓
Belgium	n.a.		20	↓	n.a.		n.a.		14	↑
Canada	13	↑	27	↑	n.a.		n.a.		n.a.	
Chile	12	↑	31	↑	n.a.		n.a.		n.a.	
Colombia	n.a.		34	↑	n.a.		n.a.		n.a.	
Costa Rica	16	↓	32	↑	n.a.	n.a.	n.a.		n.a.	
Czech Republic	n.a.		n.a.		12	↑	6	↑	17	→
Denmark	4	↓	19	↓	9	↓	7	↑	n.a.	
Estonia	9	↓	25	→	10	↓	3	↓	4	↑
Finland	10	↑	24	→	8	↑	12	↑	10	↑
France	n.a.		28	↓	16	↓	17	↑	12	↑
Germany	n.a.		17	→	n.a.		9	↑	18	↓
Greece	n.a.		30	↓	n.a.		16	↑	21	↓
Hungary	3	↓	26	→	2	↑	6	↑	2	↑
Iceland	n.a.		16	↑	n.a.		n.a.		n.a.	
Ireland	n.a.		23	↓	n.a.		n.a.		n.a.	
Israel	n.a.		29	↑	n.a.		n.a.		1	↓
Italy	1	↓	33	→	18	↓	n.a.		22	↑
Japan	n.a.		n.a.		n.a.		n.a.		n.a.	
Korea	n.a.		n.a.		n.a.		n.a.		n.a.	
Latvia	n.a.		12	↓	3	↑	10	↑	11	↓
Lithuania	n.a.		8	↓	1	↓	1	↑	5	↑
Luxembourg	n.a.		9	↓	n.a.		5	↑	n.a.	
Mexico	n.a.		3	↓	n.a.		n.a.		n.a.	
Netherlands	7	↑	1	↓	5	↑	2	↑	8	↓
New Zealand	n.a.		6	↓	n.a.		n.a.		n.a.	
Norway	14	↑	2	↓	17	↓	n.a.		n.a.	
Poland	2	↓	5	↓	4	↓	13	↑	3	↑
Portugal	11	↑	15	↓	n.a.		11	↓	23	↓
Slovak Republic	n.a.		13	↓	13	↑	8	↑	15	↓
Slovenia	n.a.		11	↓	11	↑	14	↑	16	↓
Spain	8	↓	22	↓	15	↓	15	↑	13	↑
Sweden	n.a.		4	↓	14	↓	5	↓	6	↓
Switzerland	n.a.		7	↓	n.a.		n.a.		9	↑
Türkiye	5	→	14	↓	6	↓	n.a.		7	↑
United Kingdom	6	→	10	↓	n.a.		n.a.		20	↓
United States	n.a.		n.a.		n.a.		n.a.		n.a.	
Year	2020	2015	2021	2017	2018	2014	2020	2016	2018	2014

Countries are listed in alphabetical order. The number in the cell indicates the position of each country among all countries for which data are available. Arrows indicate whether absolute performance has improved (↑), declined (↓) or remained stable (→).

Performance one standard deviation above (below) the mean

Performance within one standard deviation from the mean

Performance one standard deviation below (above) the mean

Note: For the healthcare and justice indicators, the countries are not coloured due to the limited availability of data. Countries are ranked in ascending order, except for median waiting times for cataract surgery, NEET aged 15-29 years, disposition time for litigious civil and commercial cases, disposition time for non-litigious civil and commercial cases, and disposition time for administrative cases, for which they are ranked in descending order.

Source: Commonwealth Fund Health Policy Survey (2015 and 2020); OECD Health Statistics (database); OECD Education at a Glance (database); CEPEJ (2020), European Commission for the Efficiency of Justice (database).

Scorecard 3. Quality of services

	Healthcare				Education		Justice			
	Diabetes hospitalisation		30-day mortality following stroke hospitalisation		PISA mathematics averages for 15 years-olds		Civil justice is free from improper government influence		People do not use violence in response to personal grievances	
Australia	22	↑	7	↓	24	↓	9	→	17	→
Austria	23	↓	9	→	18	↓	14	→	8	→
Belgium	21	↓	14	→	10	↓	10	→	21	→
Canada	13	↑	13	↓	7	↓	8	→	10	→
Chile	17	↓	16	↓	35	↓	25	→	34	→
Colombia	6	↓	9	→	38	↑	30	→	33	→
Costa Rica	14	↓	n.a.		37	↓	23	→	31	→
Czech Republic	24	↓	22	→	17	→	18	→	13	→
Denmark	19	↓	5	↓	8	↑	3	→	4	→
Estonia	15	↓	15	↓	3	↑	12	→	16	→
Finland	18	↓	17	→	11	↓	4	→	7	→
France	n.a.		n.a.		20	→	17	→	28	→
Germany	27	↓	10	→	15	↓	6	→	15	→
Greece	n.a.		n.a.		34	↓	28	→	32	→
Hungary	n.a.		n.a.		30	↑	33	↓	11	→
Iceland	1	↓	1	↓	21	↑	n.a.		n.a.	
Ireland	12	↑	12	↓	16	↓	1	n.a.	1	n.a.
Israel	8	↑	8	↓	32	↓	n.a.		n.a.	
Italy	2	↑	n.a.		25	↑	20	→	29	→
Japan	n.a.		n.a.		1	↓	16	→	5	→
Korea	30	↓	2	→	2	↓	22	→	26	→
Latvia	20	↑	26	→	19	↑	21	n.a.	20	n.a.
Lithuania	32	↓	25	↓	29	↑	15	n.a.	12	n.a.
Luxembourg	n.a.		n.a.		27	↓	13	n.a.	2	n.a.
Mexico	28	↓	27	↑	36	↓	32	→	35	↓
Netherlands	4	↓	6	→	4	↓	5	→	23	→
New Zealand	n.a.		11	→	22	↓	11	→	14	→
Norway	7	↓	3	↓	14	↑	2	→	6	→
Poland	25	↓	24	↓	5	↓	31	↓	24	→
Portugal	5	↓	21	→	23	↑	19	→	30	→
Slovak Republic	26	↑	18	→	26	↑	26	n.a.	9	n.a.
Slovenia	16	↑	23	↓	9	↑	29	→	19	↑
Spain	3	↑	20	↓	28	↓	27	→	25	↑
Sweden	9	↓	7	→	12	↑	7	→	3	→

	Healthcare				Education		Justice			
	Diabetes hospitalisation		30-day mortality following stroke hospitalisation		PISA mathematics averages for 15 years-olds		Civil justice is free from improper government influence		People do not use violence in response to personal grievances	
Switzerland	11	↑	n.a.		6	↓	n.a.		n.a.	
Türkiye	29	→	13	↓	33	↑	34	→	27	→
United Kingdom	10	↑	19	→	13	↑	24	→	18	→
United States	31	↑	4	→	31	↓	24	→	22	→
Year	2019	2015	2019	2015	2018	2012	2022	2016	2022	2016

Countries are listed in alphabetical order. The number in the cell indicates the position of each country among all countries for which data are available. Arrows indicate whether absolute performance has improved (↑), declined (↓) or remained stable (→).

Performance one standard deviation above (below) the mean

Performance within one standard deviation from the mean

Performance one standard deviation below (above) the mean

Note: For the indicators civil justice is free from improper government influence and people do not resort to violence to redress personal grievances, an improvement (decline) entails an increase (decrease) of 0.1 points in the index. Details on data for other indicators are provided in the corresponding sections. Countries are ranked in ascending order, except for diabetes hospitalisation and 30-day mortality following stroke hospitalisation for which they are ranked in descending order. The indicator on diabetes hospitalisation is defined as the number of hospital admissions with a primary diagnosis of diabetes among people aged 15 years and over per 100 000 population.

Source: OECD Health Statistics (database); PISA (database); World Justice project (2022), Rule of Law Index 2022.

Satisfaction with public services

Public services delivered by hospitals, schools, courts, or government administrations affect the lives of many and serve as points where people directly interact with public institutions and governments. Satisfaction is widely used to measure the performance of public services from a citizens' perspective. Although public satisfaction may reflect many different aspects of services – such as access, affordability, courtesy and timeliness – it can provide a general, aggregate measure of service performance across countries (Baredes, 2022). Satisfaction with public services also influences trust in government and other public institutions such as the civil service (OECD, 2022).

In OECD countries, most people (68%) reported being satisfied with the healthcare system in 2022 (Figure 3.2). However, there are wide variations across countries. In Switzerland 92% were satisfied with the healthcare system, the highest among OECD countries followed by Belgium at 90%. Despite comparatively high out-of-pocket expenditure, Switzerland fares comparatively well in other aspects of access and quality, resulting in high overall levels of satisfaction.

Across OECD countries, 67% are satisfied with the education system, with Norway (87%), Finland (85%), Switzerland (84%) and Ireland (84%) reporting the highest rates (Figure 3.2). Satisfaction with education varies more across countries than for healthcare and justice, with a 66 percentage point difference between the highest and lowest. Comparatively low rates in some countries might be explained by the need for more resources and improved infrastructure, especially during the transformation to services brought by the COVID-19 pandemic. For example, in several OECD countries, not all students had the same opportunities for remote learning during the pandemic. On average across OECD countries, 9% of 15-year-old students do not have a quiet place to study in their home (OECD, 2020).

Justice services are used by a smaller share of the population than health and education. Accordingly, confidence in the judicial system and the courts is less likely to be based on experience than with healthcare and education. Over half (56%) of citizens in OECD countries reported having confidence in their country's judicial system and courts. There are significant differences across OECD countries, with more than 80% of citizens in Norway, Denmark, Switzerland and Finland reporting confidence in the justice system (Figure 3.2).

Getting a passport, certificate or licence are other services requiring interaction between people and the administration. On average, 63% people in 22 surveyed OECD countries felt highly satisfied with administrative services, reaching around 80% in Luxembourg and the Netherlands (Figure 3.3).

Methodology and definitions

Data were collected by Gallup World Poll, generally based on a representative sample of 1 000 citizens in each country. For 2022, data were collected from July onwards. More information about this survey is available at *www.gallup.com/home.aspx*.

The OECD explores perceptions of public governance using nationally representative survey data from the OECD Trust Survey conducted across 22 countries. Most countries were surveyed in November-December 2021, with a few surveys taking place in 2020 and January-March 2022.

Further reading

Baredes, B. (2022), "Serving citizens: Measuring the performance of services for a better user experience", *OECD Working Papers on Public Governance*, No. 52, OECD Publishing, Paris, *https://doi.org/10.1787/65223af7-en*.

OECD (2022), *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*.

OECD (2020), "Coronavirus special edition: Back to school", *Trends Shaping Education Spotlights*, No. 21, OECD Publishing, Paris, *https://doi.org/10.1787/339780fd-en*.

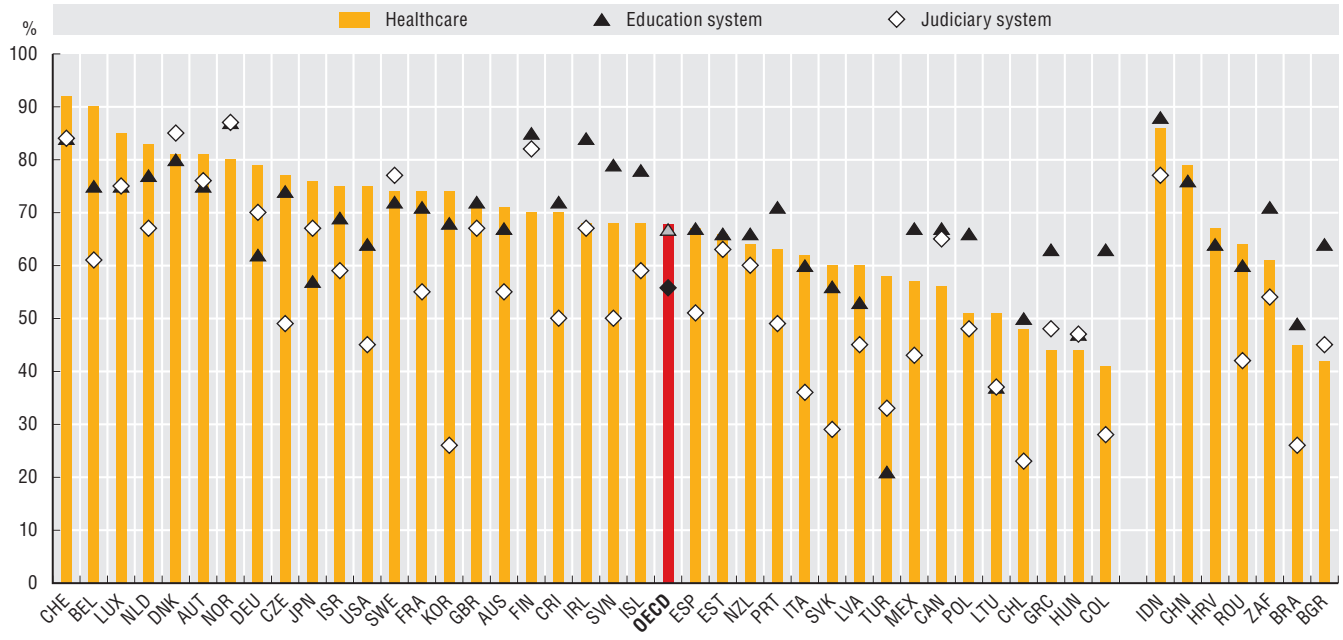
Figure notes

3.2 and 3.3. "OECD" presents the unweighted average across OECD countries.

3.2. General measures should be complemented with other metrics on access, responsiveness and quality to assess the overall performance of a sector. Data for Luxembourg are for 2019. Data for Austria, Chile, Estonia, France, Germany, Ireland, Israel, Italy, Latvia, Lithuania, Korea, the Slovak Republic, Spain, Switzerland, Türkiye and the United Kingdom are for 2021. Countries are ranked in descending order of healthcare satisfaction. Satisfaction with healthcare/education is based on the proportion of respondents who answered "satisfied" to "In the city or area where you live, are you satisfied or dissatisfied with the availability of quality healthcare/ with the educational system or the schools?" Confidence in the judicial system is expressed as the proportion of respondents who answered "yes" to "In this country, do you have confidence in each of the following, or not? How about the judicial system and courts?" Data include citizens who have not used the judiciary system.

3.3. Data for Finland and Norway are not available. Refers to the question, "On a scale of 0 to 10, how satisfied or dissatisfied are you with the quality of administrative services (e.g. applying for an ID or a certificate of birth, death, marriage, or divorce) in the country?". Satisfied corresponds to responses of 6-10.

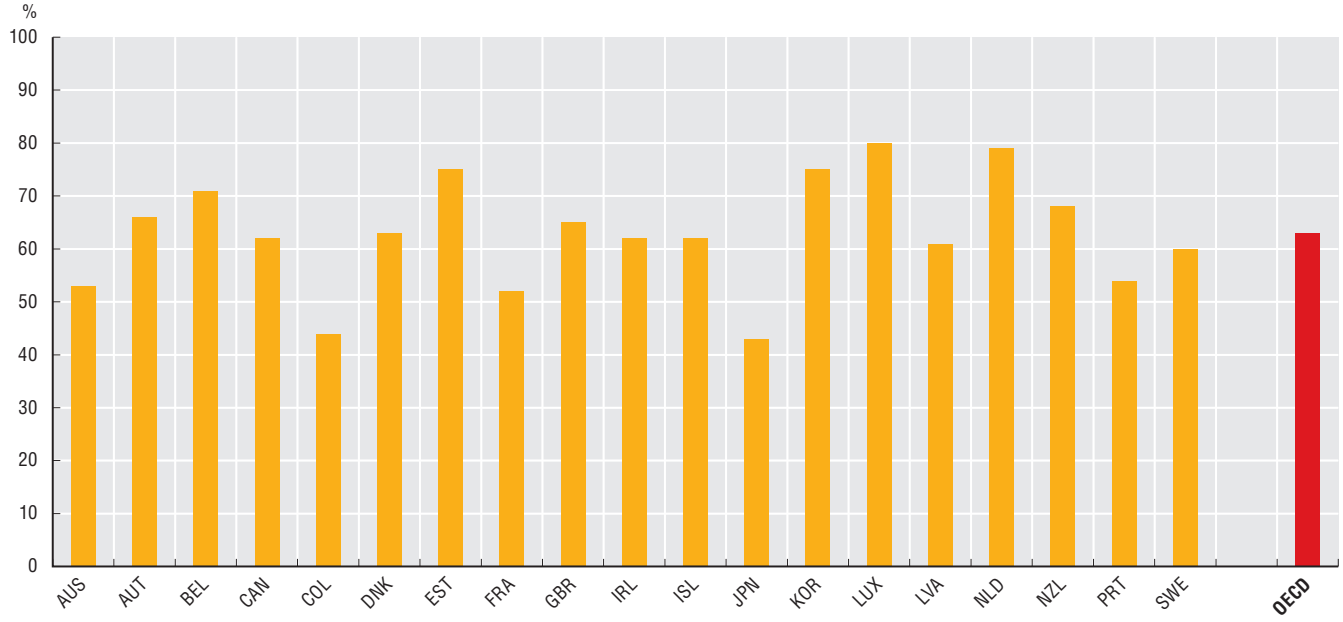
3.2. Citizen satisfaction with healthcare, education and the justice system, 2022



Source: Gallup World Poll 2022 (database).

StatLink https://stat.link/kep316

3.3. Citizen satisfaction with administrative services, 2021



Source: OECD Trust Survey (*http://oe.cd/trust*).

StatLink https://stat.link/vt1ryh

Satisfaction with public services across population groups

Public services play a key role in ensuring that people have opportunities in life and can maximise their potential. Differences in satisfaction levels between socio-demographic groups may indicate differences in levels of accessibility, timeliness or quality for people with different characteristics. These differences can aggravate or cause inequalities in society and reduce the take-up of services. They can be a helpful diagnostic tool to help governments identify routes to improving service provision and ensuring that nobody is left behind. In many OECD countries, ministries, departments and agencies monitor satisfaction with public services in different population groups to help evaluate the impact of reforms and identify areas for further action.

There are gender gaps in satisfaction with healthcare, with men on average across OECD countries 6.1 percentage points (p.p.) more satisfied than women (Figure 3.4). Canada recorded the largest gap between men (68%) and women (55%), a difference of 13 p.p., followed by Denmark, New Zealand (both 12 p.p.), the Netherlands and Portugal (both 11 p.p.). Norway is the only country where women (78%) have statistically significant higher satisfaction levels than men (75%).

Satisfaction with education is significantly dependent on education level. Across OECD countries, higher educated people have a higher average rate of satisfaction (62%) than lower educated people (54%) (Figure 3.5). More educated people have been more exposed to the education system and have usually gained greater benefit from participating in it than those with lower education. In Canada, Denmark, Iceland and Norway, the gap in satisfaction rates between the higher and lower educated population is wider than 20 p.p. In only 4 out of 21 countries are citizens with low education levels more satisfied than those with high education levels: Korea (21 p.p.), Ireland (11 p.p.), Colombia (5 p.p.) and Finland (2 p.p.).

Satisfaction with administrative services is generally lower in younger age groups and higher in older ones. On average, 56% of 18-29 year-olds reported being satisfied with the quality of administrative services, compared to 67% among people aged 50 and over (Figure 3.6). The older group were more satisfied with administrative services in every country that participated in the survey. Ireland has the largest gap between older and younger people (32 p.p.), followed by Japan (18 p.p.), and Korea and New Zealand (both 16 p.p.).

Methodology and definitions

The OECD explores perceptions of public governance using nationally representative survey data from the OECD Trust Survey conducted across 22 countries. Most countries were surveyed in November-December 2021, with a few surveys taking place in 2020 and January-March 2022.

This section presents a comparison of satisfaction with public services for different social groups across OECD countries. Data are drawn from the 2021 OECD Survey of Trust in Public Institutions. The survey standardises instruments and methodologies for measuring satisfaction across countries, allowing robust international comparison. To identify the main contrasts across social groups, satisfaction levels for three public services (healthcare, education and administrative) have been calculated for three demographic variables (age, gender and level of education). The OECD averages and demographics values for the services in each OECD country, are presented in Online Table G.1.1 available online in Annex G. The graphs below show satisfaction with each service for the demographic variable for which there is the biggest difference in satisfaction between groups.

Further reading

OECD (2022), *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*.

Figure notes

3.4, 3.5 and 3.6. "OECD" presents the unweighted average. Satisfaction with healthcare/education/administrative services is based on responses to the question "On a scale of 0 to 10, how satisfied or dissatisfied are you with the healthcare; education system; quality of administrative services (e.g. applying for an ID or a certificate of birth, death, marriage, or divorce) in [country] as a whole?". Satisfied corresponds to responses of 6-10.

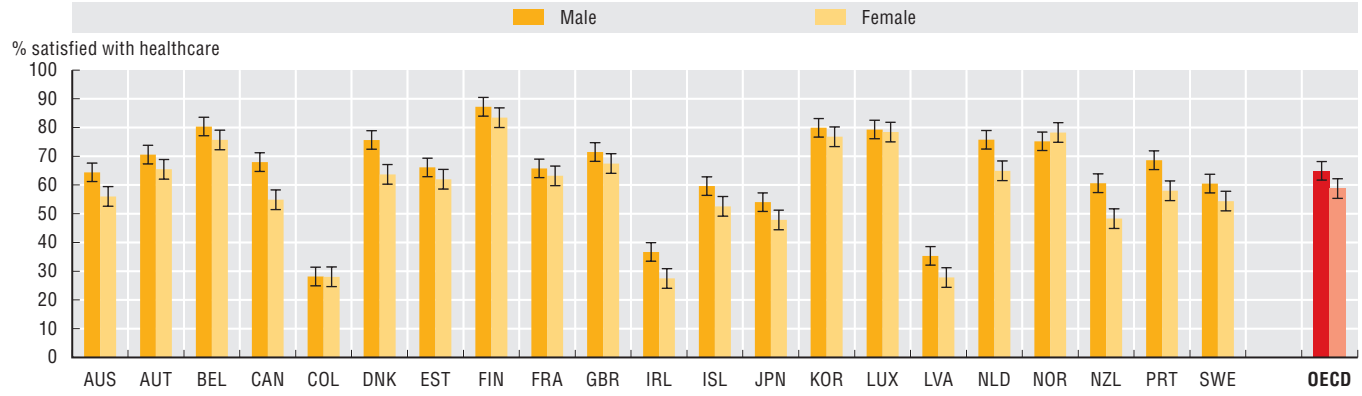
3.5. "Higher" education refers to ISCED 2011 levels 5-8, which refers to university-level degrees such as Bachelors, Masters or PhD. "Low education" refers to less than a completed upper secondary degree.

3.6. and G.1.1. In Finland and Norway, the question on administrative services was not asked.

G.1.1 (Demographic values for public services satisfaction by gender, age and level of education, 2021) is available online in Annex G.

3.4. Satisfaction with healthcare, 2021

Percentage of male and female respondents

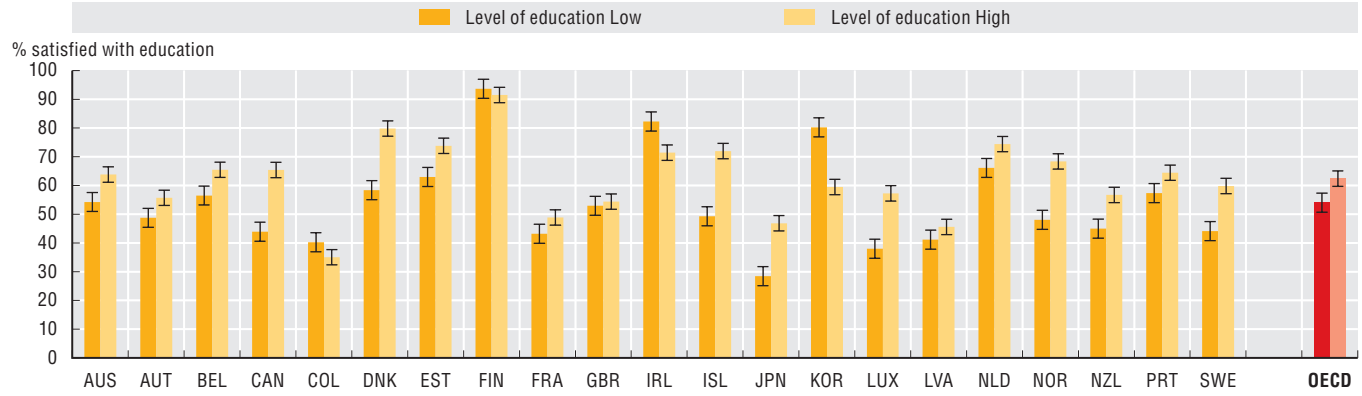


Source: OECD Trust Survey (*http://oe.cd/trust*).

StatLink https://stat.link/aludtv

3.5. Satisfaction with education, 2021

Percentage of low and highly educated respondents

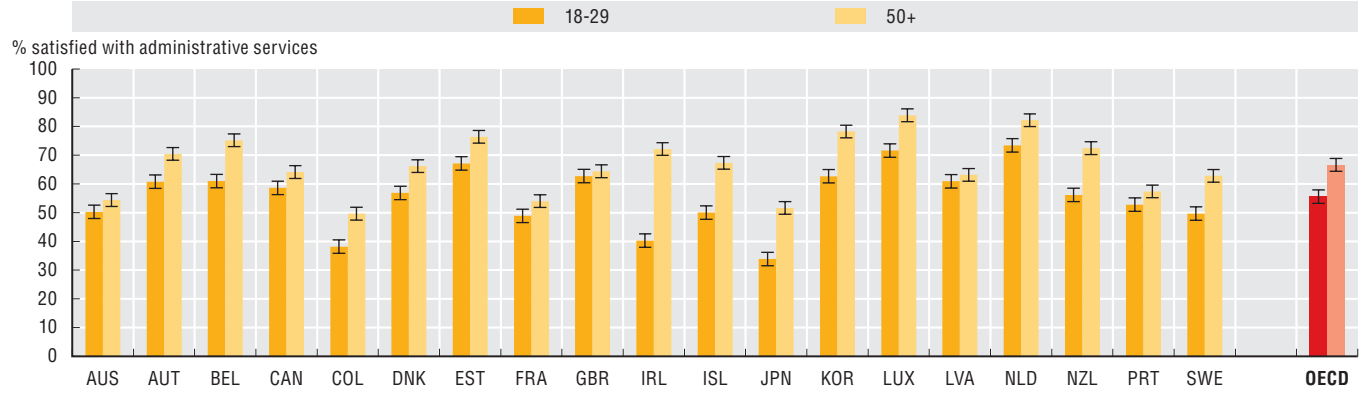


Source: OECD Trust Survey (*http://oe.cd/trust*).

StatLink https://stat.link/5ld0ca

3.6. Satisfaction with administrative services, 2021

Percentage of young and elderly respondents



Source: OECD Trust Survey (*http://oe.cd/trust*).

StatLink https://stat.link/iutb61

Accessibility, responsiveness and quality of administrative services

Administrative services are offered by public organisations and enable businesses and the public to comply with regulations and laws, exercise their rights, or claim benefits to which they are entitled. Examples of commonly used administrative services include paying taxes, issuing identity documents and applying for benefits.

The accessibility of administrative services reflects the government's capacity to accurately recognise the nature of the public's needs, and tailor delivery to diverse needs. In the OECD Survey on the Drivers of Trust in Public Institutions 2021, 65.1% of respondents expected information about administrative procedures to be easily available in their country (Figure 3.7). However, there are significant variations across countries, with Ireland (83.0%) and the Netherlands (78.9%) having the highest levels of perceived ease of access to information. In general, countries which have higher expectations in this area also tend to have greater satisfaction with administrative services (OECD, 2022). Lack of information is only one barrier to accessing administrative services, however. Others include geographical distance, inadequate facilities for users, insufficient delivery channels, use of complex language and excessive administrative burdens.

Responsive public services recognise people have different needs and adapt to support them. Rather than adopting a "one size fits all" approach, a responsive administrative service takes people's views into account. User support entails providing two-way communication channels through which people receive answers on how their complaints have been treated. Figure 3.8 shows the share of users who accessed administrative services online for whom user support was available. In 2021, Finland, Italy and Türkiye reached 1.0 points (maximum possible score on a scale from 0 to 1) on user support availability, while the average across OECD-EU members is 0.93 points. Considering that these standards are relatively high, 25 out of 26 OECD countries are within 0.07 points of the mean.

Another aspect of public service responsiveness refers to the capacity to meet a diversity of needs by treating everybody fairly. When asked about their own potential application for a generic government benefit or service, a high share of respondents – 58.5% across OECD countries – felt that their application would be treated fairly. Over half of respondents expect to be treated fairly in 18 of the 21 surveyed OECD countries, rising to over 70% in Ireland and the Netherlands (Figure 3.9). Across countries, being confident about fair treatment in applying for government benefits or services is highly and significantly correlated with trust in the civil service (OECD, 2022).

Methodology and definitions

The OECD explores perceptions of public governance using nationally representative survey data from the OECD Trust Survey conducted across 22 countries.

Most countries were surveyed in November-December 2021, with a few surveys taking place in 2020 and January-March 2022.

The 2022 eGovernment Benchmark Insight Report and Background Report combines several data sources collected using different methods to provide a holistic overview of the state of play of eGovernment among EU member countries. The data were collected during the summer of 2021. User centricity refers to the extent to which information and services are available online, supported online and compatible with mobile devices. The primary indicator to capture this dimension is user support, referring to an index score to which online support, help features and feedback are available.

Further reading

Baredes, B. (2022), "Serving citizens: Measuring the performance of services for a better user experience", *OECD Working Papers on Public Governance*, No. 52, OECD Publishing, Paris, *https://doi.org/10.1787/65223af7-en*.

European Commission (2022), *eGovernment Benchmark 2022: Synchronising Digital Governments: Insight Report*, Publications Office of the European Union, *https://data.europa.eu/doi/10.2759/488218*.

OECD (2022), *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*.

Figure notes

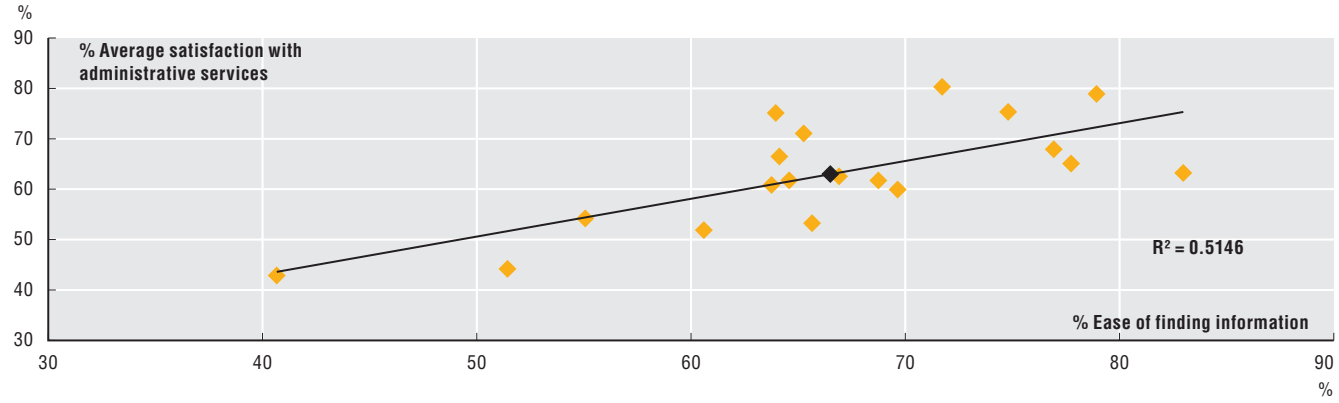
"OECD" presents the unweighted average of surveyed OECD countries in the 2021 Trust Survey.

3.7 and 3.9. Data for Finland regarding ease of finding information and fair treatment of applications are not available.

3.7. Ease of finding information is based on the share of responses of 6-10 to the question "On a scale of 0 to 10, if you need information about an administrative procedure (for example, obtaining a passport, applying for benefits, etc.), how likely or unlikely do you think it is that the information would be easily available?". Satisfaction is based on the share of responses of 6 to 10 to the question "how satisfied or dissatisfied are you with the quality of administrative services (e.g. applying for an ID or a certificate of birth, death, marriage or divorce)", equal to the values of responses 6-10 on the response scale, on the y axis.

3.9. Countries are listed in alphabetical order due to the limited number of available countries. Refers to the share of responses of 6-10 to the question: "if you or a member of your family would apply for a government benefit or service (e.g., unemployment benefits or other forms of income support), how likely or unlikely do you think it is that your application would be treated fairly?"

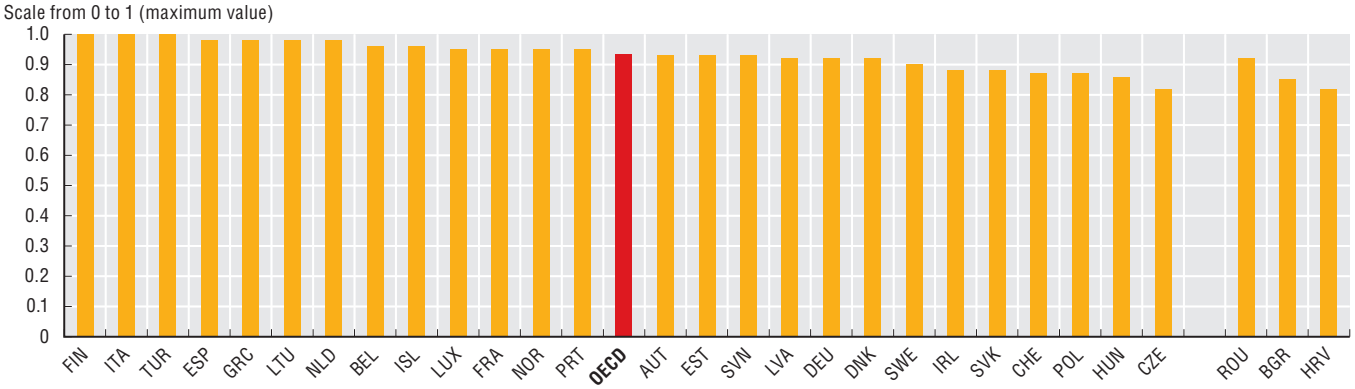
3.7. Perceived ease of finding administrative information and satisfaction with administrative services, 2021



Source: OECD Trust Survey (*http://oe.cd/trust*).

StatLink https://stat.link/7mpdv9

3.8. Score rate for which user support for online services, 2021

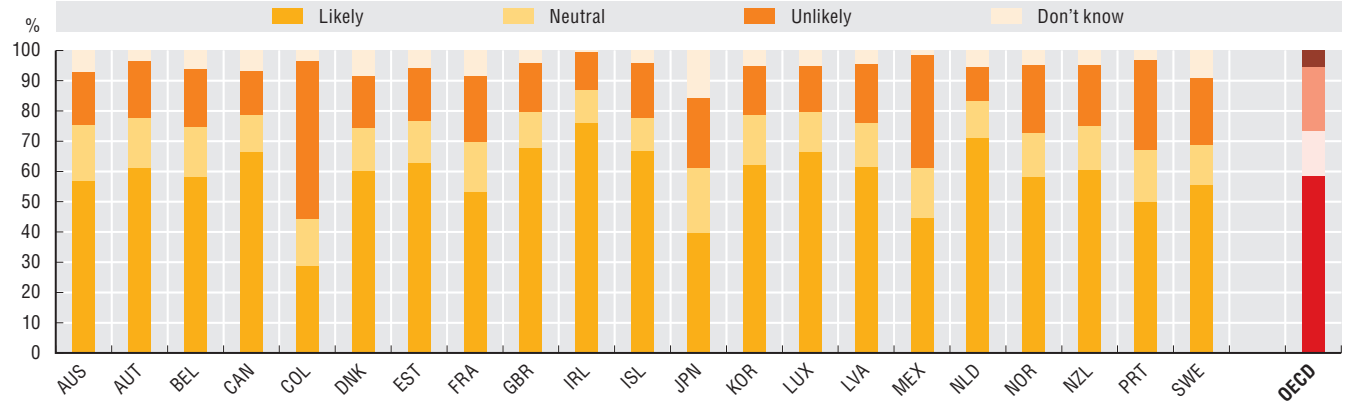


Source: European Commission (2022), *eGovernment Benchmark 2022: Synchronising Digital Governments: Insight report*, Publications Office of the European Union, *https://data.europa.eu/doi/10.2759/488218*.

StatLink https://stat.link/8wdhbm

3.9. Trust in administrative fairness, 2021

Share of respondents reporting different levels of perceived likelihood that a government would treat their application for a government benefit or service fairly



Source: OECD Trust Survey (*http://oe.cd/trust*).

StatLink https://stat.link/p9shae

Accessibility, responsiveness and quality of healthcare

Although most OECD countries have achieved universal (or near universal) coverage for a core set of health services, including consultations with doctors and hospital care, issues of affordability and accessibility still hinder the use of health services. Access to medical care requires enough doctors, equitably distributed across the country. An under-supply of doctors can lead to longer waiting times or patients having to travel far to access services (OECD, 2021). The number of doctors per person varies substantially across OECD countries. On average, in 2021, there were almost 4 active physicians per 1 000 people across 30 OECD countries with comparable data. This ranged from just over 2.5 per 1 000 in Mexico, Korea, Japan and the United States to over 5 per 1 000 in Austria and Norway (Figure 3.10).

Waiting time is one measure of the timeliness of service delivery. Excessive waiting times can affect both perceptions of quality and the effectiveness of healthcare services. In 2021, the median waiting time for cataract surgery (one of the most frequent surgical interventions in OECD countries) was nearly three months (86 days). Waits were shortest in Italy (16 days), Hungary (25 days) and Poland (36 days), and longest in Costa Rica (247 days) and Australia (172 days) (Figure 3.11). Across OECD countries, waiting times had decreased by an average of 4 days in 2021 compared to before the pandemic, reflecting concerted policy efforts to address backlogs caused by the disruption of services. Nevertheless, four countries saw an increase in waits for cataract surgery: Australia (+74 days), New Zealand (+25 days), Norway (+23 days) and Canada (+5 days).

Healthcare providers must deal with various health problems daily, including infectious, chronic and life-threatening diseases and injuries. Some of the most frequent and severe health problems in OECD countries are cardiovascular diseases (including heart attacks and strokes) and various types of cancer. These are, by far, the two main causes of death in OECD countries, with cardiovascular diseases accounting for about one-third of all deaths and cancers for about one-quarter. While cardiovascular disease and cancer can be reduced through greater prevention efforts (e.g. reductions in tobacco and alcohol use and better eating habits), early detection is also critical, as is providing effective and timely treatments when they are diagnosed. A good indicator of the quality of acute care is the 30-day case-fatality rate after someone is admitted to hospital for an ischaemic stroke. This measure reflects the care processes, such as timely transport to hospital and effective medical interventions (OECD, 2015). Indeed, countries with lower 30-day mortality rates for ischaemic stroke also had lower 30-day mortality rates for acute myocardial infarction, suggesting some characteristics of acute care delivery are relevant across a range of acute illnesses (OECD/European Union, 2022). On average across the OECD, in 2020, the age-standardised mortality rate after hospital admission for ischaemic stroke was 8.1 per 100 admissions in people aged 45 and over. The lowest rates were in Japan (3.0) and Iceland (3.4) among OECD countries, whereas Mexico (21.1) had the highest (Figure 3.12).

Methodology and definitions

Practising physicians are defined as the number of doctors providing care directly to patients, actively practising medicine during the year in public and private institutions. Physician density is the ratio of the number of physicians to the population.

Median waiting time for cataract surgery refers to the time elapsed from the date patients were added to the waiting list for the procedure (following specialist assessment) to the date they were admitted for treatment.

The case-fatality rate for ischaemic stroke measures the percentage of people aged 45 and over who die within 30 days of admission to the hospital. The rates presented in Figure 3.12 refer to patients who died in the same hospital where they were initially admitted (i.e. unlinked data). Rates are age-sex standardised.

Further reading

OECD/European Union (2022), *Health at a Glance: Europe 2022: State of Health in the EU Cycle*, OECD Publishing, Paris, *https://doi.org/10.1787/507433b0-en*.

OECD (2021), *Health at a Glance 2021: OECD Indicators*, OECD Publishing, Paris, *https://doi.org/10.1787/ae3016b9-en*.

OECD (2015), *OECD Reviews of Healthcare Quality: Japan 2015: Raising Standards*, OECD Reviews of Healthcare Quality, OECD Publishing, Paris, *https://dx.doi.org/10.1787/9789264225817-en*.

Figure notes

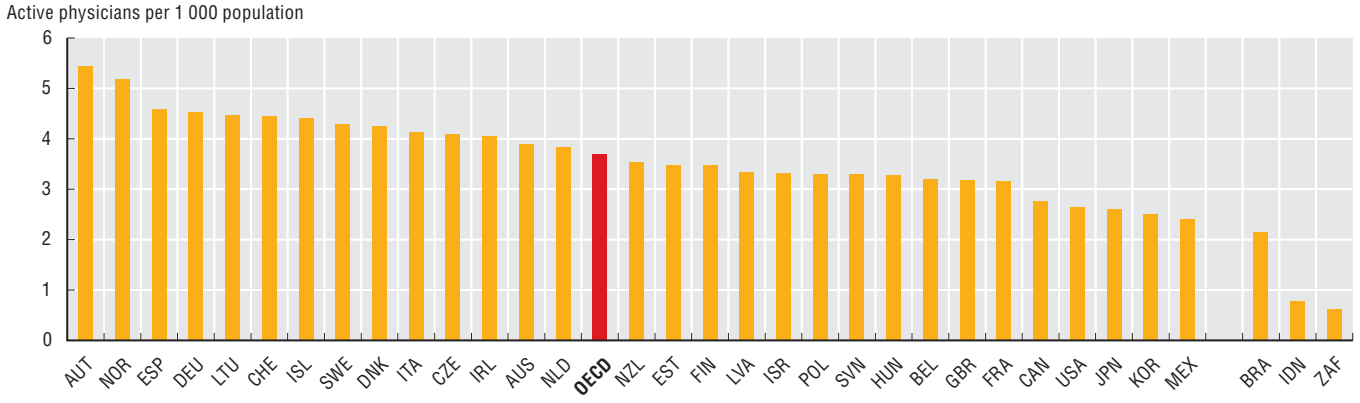
"OECD" presents the unweighted average across countries. If OECD countries are not displayed it is because data are not available.

3.10. Data for Australia, Belgium, the Czech Republic, Estonia, France, Israel, Japan, Korea, Latvia, Lithuania, Mexico, Netherlands, Slovenia and Spain are for 2020. Data for Denmark, Poland, Sweden and the United States are for 2019. Data for Finland are for 2018.

3.11. Data for Australia, Estonia, Finland, Norway and Poland are for 2020. Most recent available data for Denmark are from 2018.

3.12. Data for Belgium, Canada, Chile, the Czech Republic, Denmark, Estonia, Finland, Germany, Israel, Korea, the Netherlands, New Zealand, Norway, Slovenia, Spain and Sweden are for 2019. Data for Australia, Poland and the United States are for 2018. Data for Colombia, Japan and Mexico are for 2017.

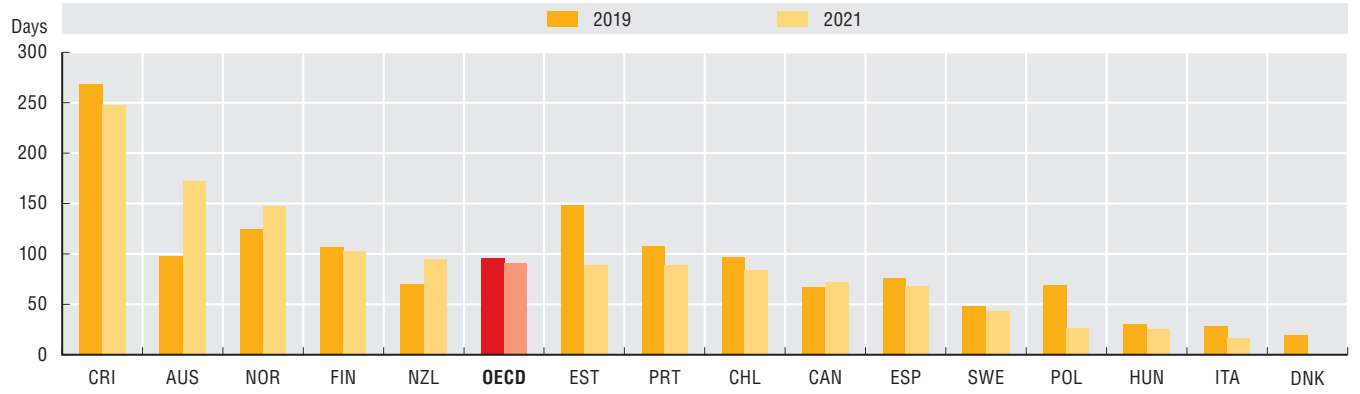
3.10. Practising physicians per 1 000 people, 2021



Source: OECD (2021), Health Statistics (database).

StatLink https://stat.link/3xk8sq

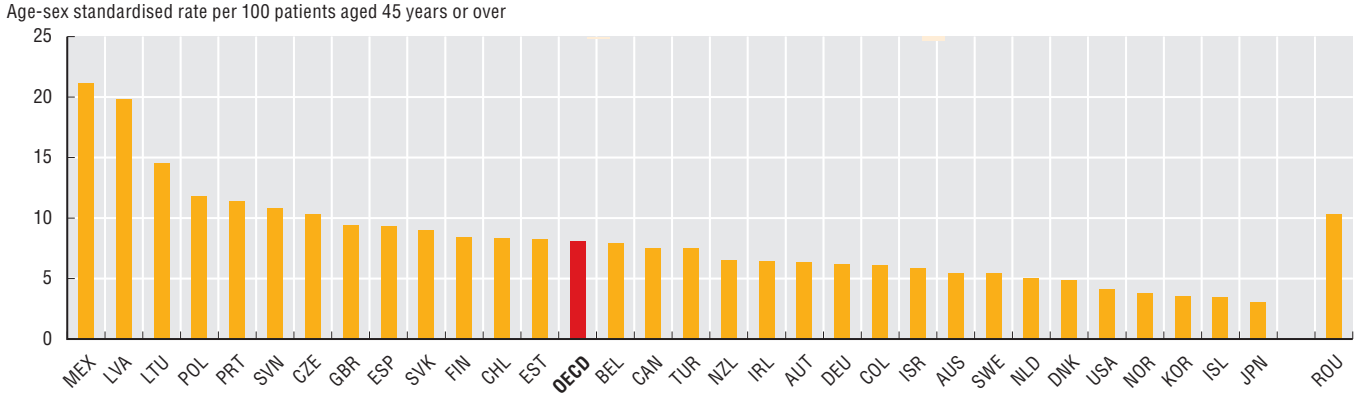
3.11. Median waiting time for cataract surgery from specialist assessment to treatment, 2019 and 2021



Source: OECD (2021), Health Statistics (database).

StatLink https://stat.link/ydht53

3.12. Thirty-day mortality rate after ischaemic stroke, 2020



Source: OECD (2021), Health Statistics (database).

StatLink https://stat.link/tfkmg5

Accessibility, responsiveness and quality of education

Early childhood education is critical for children's cognitive and emotional development, learning and well-being (OECD, 2022). Children who participate in high-quality organised learning at a young age are more likely to have better education outcomes (OECD, 2022). Early enrolment is thus increasingly considered a core measure of access to education. On average across the OECD in 2020, 88.7% of 4-year-olds and 74.3% of 3-year-olds were enrolled in education. France (where it has been compulsory from 3 years since 2019), Ireland, Israel (compulsory from 3 years since 1949), Japan and the United Kingdom have reached 100% enrolment for 3-4 year-olds. The lowest enrolment rates for 4-year-olds are in Türkiye (34%), Switzerland (49%) and the United States (64%) (Figure 3.13). Besides these, all other OECD countries are within 10 percentage points (p.p.) of the average.

The share of 15-29 year-olds who are not in education, employment, or training (NEET) is a measure of the responsiveness of the education system. High NEET rates represent a failure to deliver the same opportunities to every citizen, regardless of socio-economic context. Reducing them is an important challenge for OECD countries, especially since the COVID-19 pandemic. In 2021, on average, 15.0% of 15-19 year-olds across the OECD were NEET, a 1 p.p. increase since 2017 (14.1%). The Netherlands (7.4%), Luxembourg (7.8%) and Norway (8.4%) had the lowest NEET rates in 2021, while Türkiye (28.7%), Colombia (27.1%), Italy (26.0%) and Costa Rica (26%) had the highest. The most significant reductions across the OECD were in Belgium, Denmark and the Slovak Republic (-2 p.p. each since 2017) (Figure 3.14).

Quality of education can be assessed by how effectively students acquire the skills they need to thrive in society. Equity is an important aspect of quality: personal circumstances should not be an obstacle to achieving educational potential and all individuals should reach at least a minimum level (OECD, 2012). In 2018, students across the OECD scored an average of 487 points in mathematics in the OECD Programme for International Student Assessment (PISA), The highest average scores were in Japan (527 points), Korea (526 points) and Estonia (523 points). Students in Colombia (391 points), Costa Rica (402 points) and Mexico (409 points) had the lowest average scores (Figure 3.15).

However, these averages hide inequalities. On average across the OECD, 12.1% of the variance in mathematics performance can be attributed to students' socio-economic status. The influence of background on performance is most significant in Hungary (19.1%) followed by Luxembourg (17.8%), and France and the Slovak Republic (17.5% each). In contrast, in Estonia (6%), Canada (6.7%) and Iceland (6.6%), socio-economic background plays a much smaller role (Figure 3.15).

Methodology and definitions

Enrolment data come from the UNESCO-OECD-Eurostat (UOE) on education statistics. Rates are expressed as net enrolment rates, which are calculated by dividing the number of students of a particular age group enrolled in all levels of education by the total population of that age group. Figures are based on head counts and do not distinguish between full- and part-time study.

The data on NEET rates come from data collection by the OECD. NEET rates are the share of 15-29 year-olds who are not in employment, formal education or training, as a percentage of the total population of 15-29 year-olds. Being in education includes attending part- or full-time formal education but excludes those in non-formal education or short educational activities. Employment covers all those who have been paid for at least one hour in the reference week of the survey or were temporarily absent from such work.

PISA 2018 skills of 15-year-old students in reading, mathematics and science in 79 economies. Students' socio-economic background was based on three variables: parents' highest level of education and highest occupational status, and home possessions, which are aggregated into an index.

Further reading

OECD (2022), *Education at a Glance 2022: OECD Indicators*, OECD Publishing, Paris, *https://doi.org/10.1787/3197152b-en*.

Schleicher, A. (2020), *The Impact of COVID-19 on Education: Insights from Education at a Glance 2020*, OECD, Paris, *www.oecd.org/education/the-impact-of-covid-19-on-education-insights-education-at-a-glance-2020.pdf*.

OECD (2019), *PISA 2018 Results (Volume I): What Students Know and Can Do*, PISA, OECD Publishing, Paris, *https://doi.org/10.1787/5f07c754-en*.

Carcillo, S. et al. (2015), "NEET youth in the aftermath of the crisis: Challenges and policies", *OECD Social, Employment and Migration Working Papers*, No. 164, OECD Publishing, Paris, *http://dx.doi.org/10.1787/5js6363503f6-en*.

Figure notes

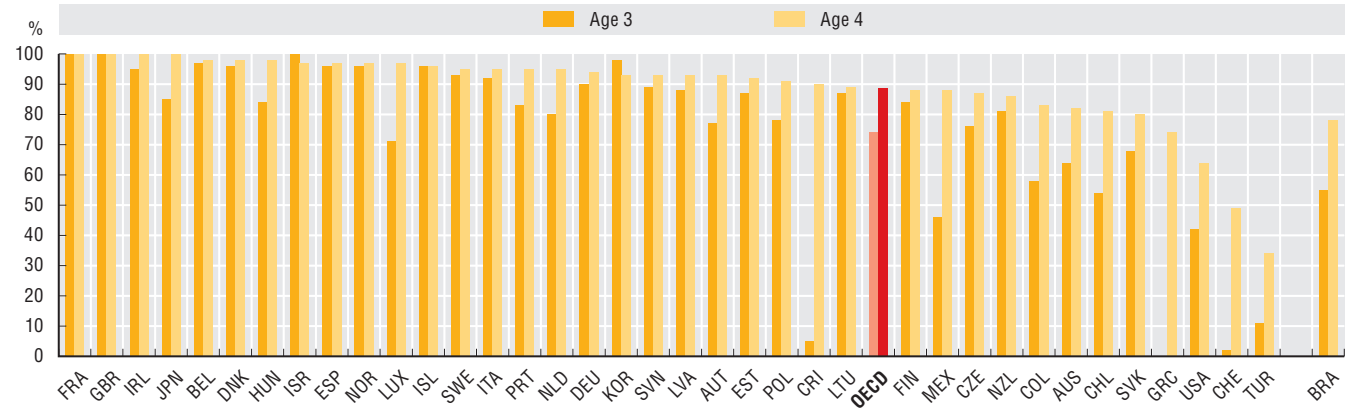
"OECD" presents the unweighted average across countries.

3.13. Data for Canada are not available. Data for Greece for age 3 are missing. Data for the United States exclude ISCED 01 programmes. Countries are ranked in descending order of enrolment rate by age 4.

3.14. Data for Japan and Korea are not available. Data for Chile are for 2019 rather than 2021. Data for Brazil and South Africa are for 2018 rather than 2021.

3.15. Data for Spain are not available. Data for China cover Beijing, Shanghai, Jiangsu and Zhejiang only.

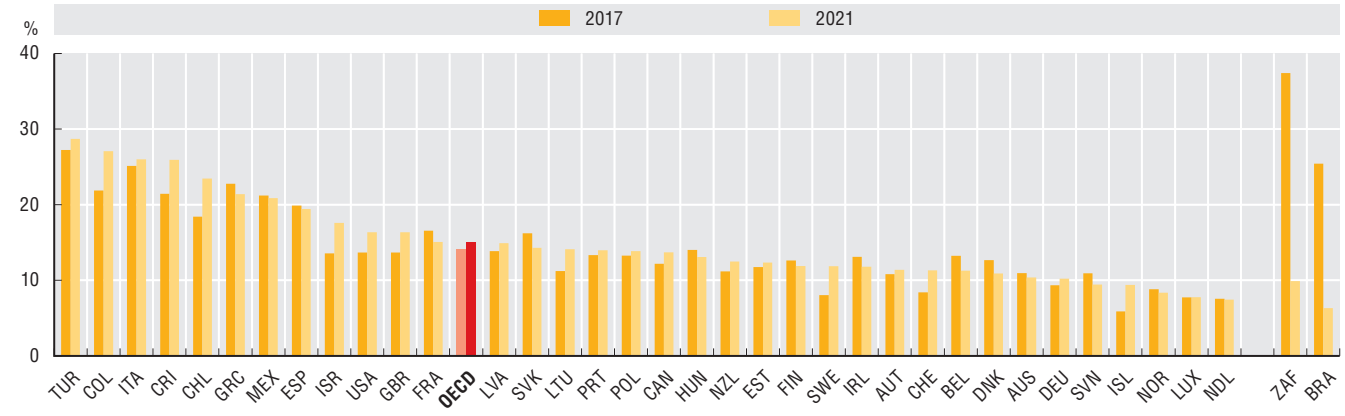
3.13. Enrolment rate at age 3 and 4 in early childhood and pre-primary education, 2020



Source: OECD (2022), OECD.Stat Education (database).

StatLink https://stat.link/q9jrb8

3.14. Percentage of young adults (15–29-year-olds) not in education, employment or training, 2017 and 2021

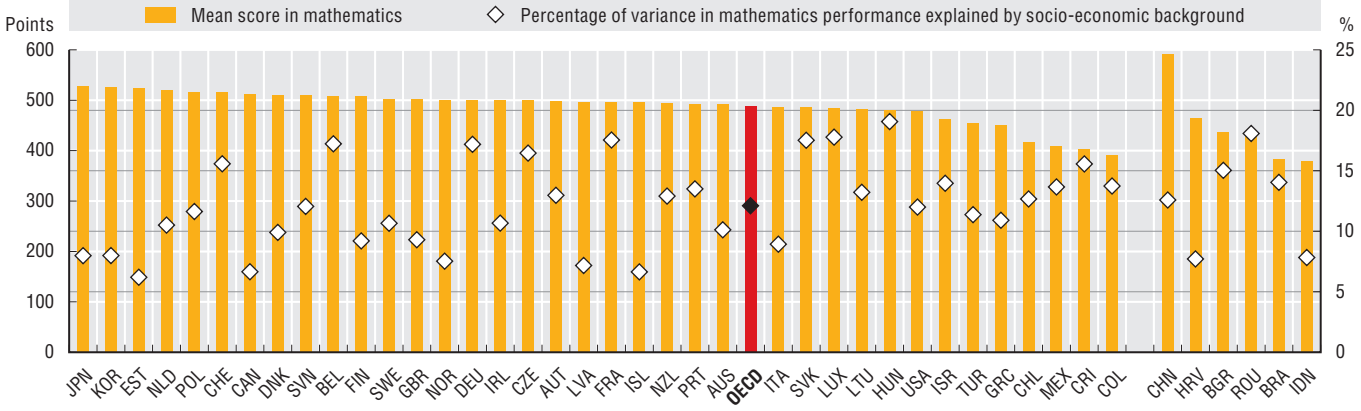


Source: OECD (2020), *Education at a Glance*; OECD (2022), *Education at a Glance*.

StatLink https://stat.link/5w8c0l

3.15. Mean score in mathematics and percentage of variance explained by socio-economic background, 2018

Left axis is the score on PISA test, right axis the variance due to socio-economic characteristics



Source: OECD (2019), *PISA 2018 Results (Volume II): Where All Students Can Succeed.*

StatLink https://stat.link/eqo4zw

Accessibility, responsiveness and quality of justice

Access to Justice refers to the ability of people, businesses and communities to prevent conflicts and obtain effective, fair, equitable and timely resolution of their legal and justice-related needs (OECD, forthcoming). Another aspect is legal empowerment, which enables meaningful participation in the justice system and builds people's capacity to understand and use the law (OECD, 2019). On average, OECD countries scored 0.65 out of a maximum of 1 points in the accessibility and affordability of civil justice dimension of the 2022 World Justice Project (WJP) Rule of Law index, an increase of 0.03 points since 2016. The Netherlands (0.79), Denmark (0.78), and Germany (0.77) had the highest scores. The most significant increases were in Estonia (0.08 points), Denmark, Finland, Sweden and Türkiye (+0.07 each) (Figure 3.16). Scores fell in the United Kingdom (-0.04), the Czech Republic, Mexico (-0.02 each) and Chile (-0.01).

Delays in solving legal cases affect citizens and disrupt businesses. A responsive justice system ensures that the "right" mix of services is provided to the "right" clients, in the "right" areas of law, in the "right" locations, and at the "right" time (OECD, 2019). In 2020, on average, OECD countries with data available took 266 days to resolve litigious civil and commercial cases. Lithuania (117 days), the Netherlands (127 days) and Estonia (135 days) had the shortest times. France, Greece (637 days each) and Spain (468 days) had the longest. Since 2016, disposition time increased by an average of 52 days, with the largest increases in France (284 additional days), Spain (+187) and Poland (+92) (Figure 3.17).

An independent judicial system is key to ensuring a fair resolution of cases. Pressure on judges can come from outside the judicial system (e.g. the government or media) or from within, from peers or superiors (e.g. a court president annulling the ruling of a judge in their court without due process) (ENCJ, 2014). In 2022, on average, OECD countries scored 0.72 out of a maximum of 1 points for freedom from improper government influence (Figure 3.18). The highest scores are for Ireland (0.95), Norway (0.94), Denmark (0.91) and Finland (0.89), and the lowest for Türkiye (0.19), Hungary (0.34), Mexico (0.42) and Poland (0.62). The OECD average fell by 0.03 points between 2016 and 2022. Some countries slightly improved their scores since 2016, including Belgium, France (0.03 points each), New Zealand, Sweden, Estonia (0.02 each) and Greece and Spain (0.01 each) but 12 countries experienced a decrease.

Methodology and definitions

The WJP Rule of Law Index is based on a general population survey of 1 000 respondents in each country and a survey of experts who frequently interact with their national state institutions. Each dimension is scored from 0 to 1; a higher score means better performance. For more information, see *https://worldjusticeproject.org/our-work/wjp-rule-law-index*. Accessibility and affordability are gauged by asking about people's awareness of available remedies and affordability of legal advice and representation. Freedom from improper influence is estimated by asking about factors such as how likely a litigant is to win a case against the state and whether it would respect such a decision.

The CEPEJ database includes data from the Council of Europe's member states and observers for the 2018 evaluation of judicial systems and earlier. Disposition time is the estimated time taken by a first instance court to reach a decision. It is calculated by dividing the number of pending cases each year by the number of cases resolved in that period, multiplied by 365. Litigious civil and commercial matters refer to disputes between parties, such as litigious divorces. Countries differ in how they administer justice and distribute responsibilities between courts, so cross-country comparisons must be made with caution. The types of courts and cases included in this exercise may differ, as well as data collection and categorisation methods.

Further reading

Majhosev, A. (2021), *WJP Rule of Law Index 2021*, World Justice Project.

ENCJ (2014), *Independence and Accountability of the Judiciary: ENCJ Report 2013-2014*, European Network of Councils of the Judiciary, Brussels.

Johnson, J.T. (2011), "The European Commission for the Efficiency of Justice (CEPEJ): Reforming European justice systems: Mission impossible?" *IJCA*, Vol. 4/2011.

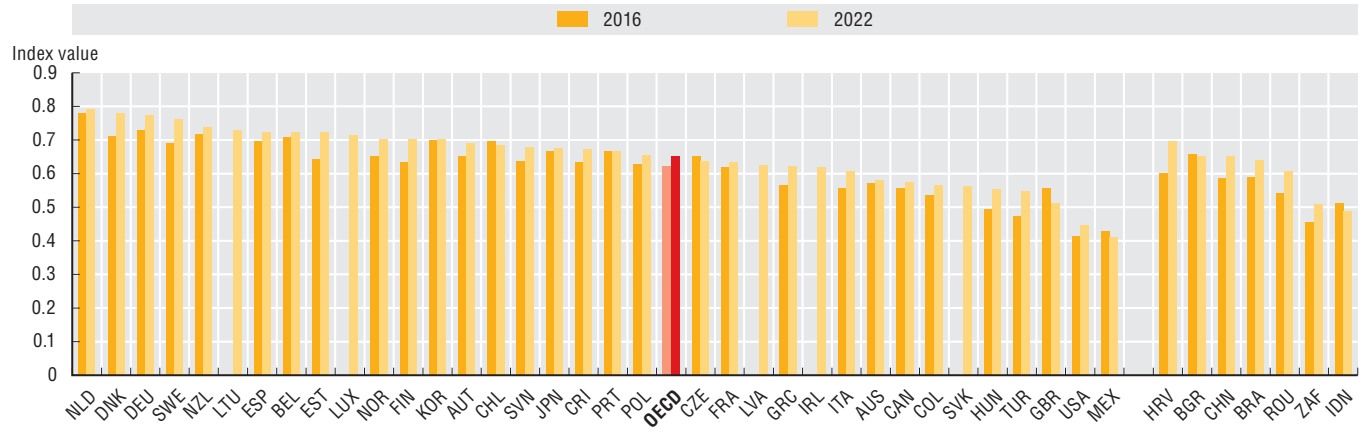
OECD (forthcoming), "OECD Recommendation on Access to Justice and People-Centred Justice Systems".

Figure notes

3.16 and 3.18. Countries are ranked in descending order of index values for 2022. Data for Iceland, Israel and Switzerland are not available. Data for Ireland, Latvia, Lithuania, Luxembourg and the Slovak Republic are not included in the OECD average due to missing time series.

3.17. Countries are ranked in descending order of the time needed to resolve cases. Italy introduced a different classification of civil cases in 2013 meaning comparisons with other years might be misleading. In the Czech Republic and the Slovak Republic, it was impossible to distinguish the number of pending cases solely on first instance since each case is considered pending until a final decision is enacted.

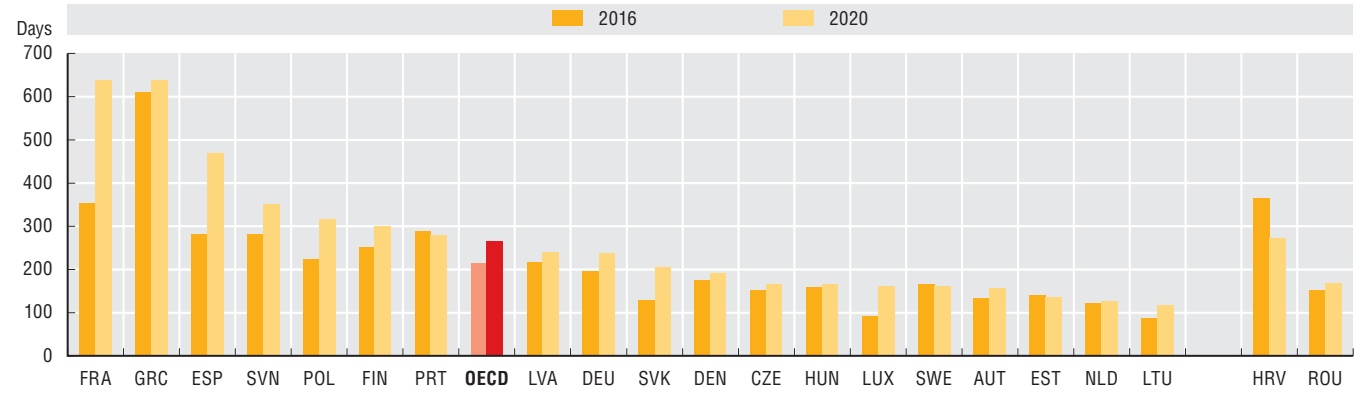
3.16. Access and affordability of civil justice, 2016 and 2022



Source: *WJP Rule of Law Index 2021*, World Justice Project.

StatLink https://stat.link/dpv0sy

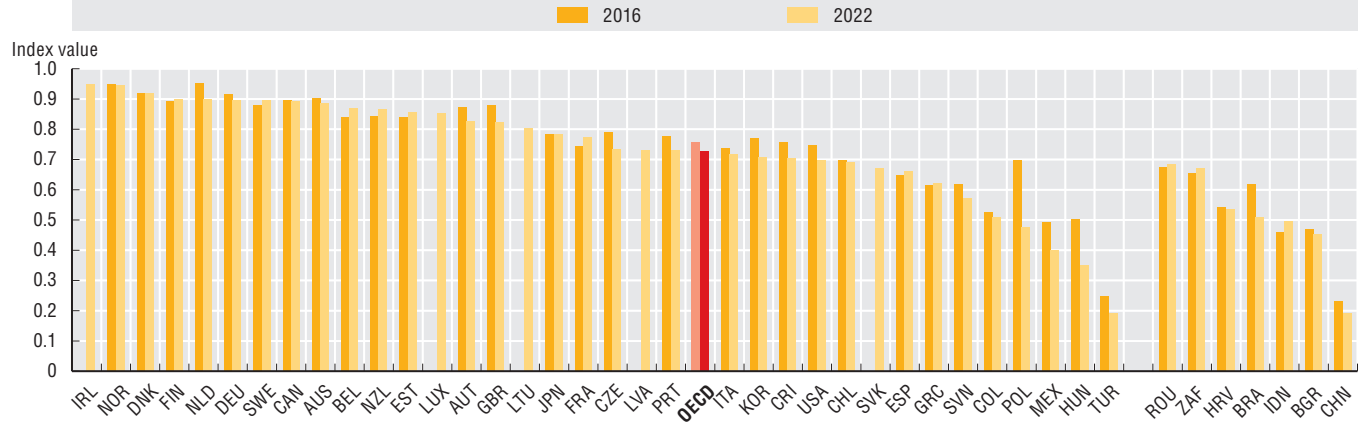
3.17. Disposition time for civil and commercial lawsuits, 2016 and 2020



Source: European Commission for the Efficiency of Justice (CEPEJ).

StatLink https://stat.link/ha07bf

3.18. Freedom of civil justice from improper government influence, 2016 and 2022



Source: *WJP Rule of Law Index 2021*, World Justice Project.

StatLink https://stat.link/tdfc16

4. GOVERNANCE OF THE POLICY CYCLE

Openness and inclusiveness

Managing conflicts of interest

Lobbying and influence

Financing of political parties and electoral campaigns

Rule of law

Special feature: Transboundary impacts

Openness and inclusiveness

Open government is a culture of governance that aims to transform how the public administration works and interacts with its citizens. A key element of open government is its capacity to engage citizens and stakeholders to include their perspectives and insights and to promote co-operation in policy design and implementation. Stakeholder participation increases government accountability; broadens citizens' empowerment and political influence; builds civic capacity; improves the evidence base for policymaking; reduces implementation costs; builds support and understanding of the need for change and fosters networks of innovation in policymaking and service delivery (OECD, 2020).

The promotion of citizens' active participation in policy making and transparent decision making is often more tangible at the local level (OECD, 2020). According to the OECD Survey on the Drivers of Trust in Public Institutions, about 41% of people in OECD countries believe that they could have a say in community decisions that affect their local area. In the Netherlands (53.3%), Ireland (51.9%), Canada (51.4%) and Mexico (50.7%) over half of the population expect this to be the case; at the other end of the scale, people are less confident in Colombia (28.5%), Norway (26.7%) and Japan (18.1%) (Figure 4.1). The comparatively low levels in Norway may be partly the result of recent reforms pursuing specialization of services through mergers of municipalities and changes in counties' administrative structure which, nevertheless, by lowering contact and closeness to public services and institutions may have resulted in the perception of more distant governments (OECD, 2022a).

In addition to being able to voice concerns, people need to feel these concerns will be heard and addressed, especially when these have a direct effect on their lives, for example in the provision and quality of public services (OECD, 2022b). On average, in OECD countries only 40.2% of people across countries find it likely that a public service would be improved if many people complained about it. However around half of people in Korea (57.7%), the Netherlands (50.1%) and Estonia (49.8%) expect this to happen (Figure 4.2).

Consultations refer to a more formal and advanced level of participation in which the government seeks people's views on a predefined issue and require the provision of relevant information and feedback (OECD, 2020). The inputs received as part of a participatory process, including consultations, should be given careful and respectful consideration. It is therefore important to close the feedback loop – which refers to the efforts taken by those running a participatory process to get back to participants about the status of their inputs and the ultimate outcome of their participation. By not properly closing the feedback loop, public authorities risk discouraging people from participating again and potentially reduce the benefits of participation, such as increased sense of trust, efficacy and agency (OECD, 2022c).

The results of the OECD Trust Survey show that only one-third of people across surveyed OECD countries (32.9%) think their government would adopt opinions expressed in a public consultation on a major policy area, such as taxation or healthcare reforms. Korea (48.5%), the Netherlands (41.6%), Canada (40.3%) and Ireland (39.9%) have the best results in this area (Figure 4.3).

Methodology and definitions

The OECD explores perceptions of public governance using nationally representative data from the OECD Trust Survey conducted across 22 countries. Most countries were surveyed in November-December 2021, with a few surveys taking place in 2020 and January-March 2022.

Further reading

OECD (2022a), *Drivers of Trust in Public Institutions in Norway*, Building Trust in Public Institutions, OECD Publishing, Paris, *https://doi.org/10.1787/81b01318-en*.

OECD (2022b), *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*.

OECD (2022c), *OECD Guidelines for Citizen Participation Processes,* OECD Public Governance Reviews, OECD Publishing, Paris, *https://doi.org/10.1787/f765caf6-en*.

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

Figure notes

4.1, 4.2 and 4.3. Likely corresponds to responses of 6-10 on a 0-10 scale, neutral to 5 and unlikely to responses of 1-4; don't know was a separate option. "OECD" presents the unweighted average across countries.

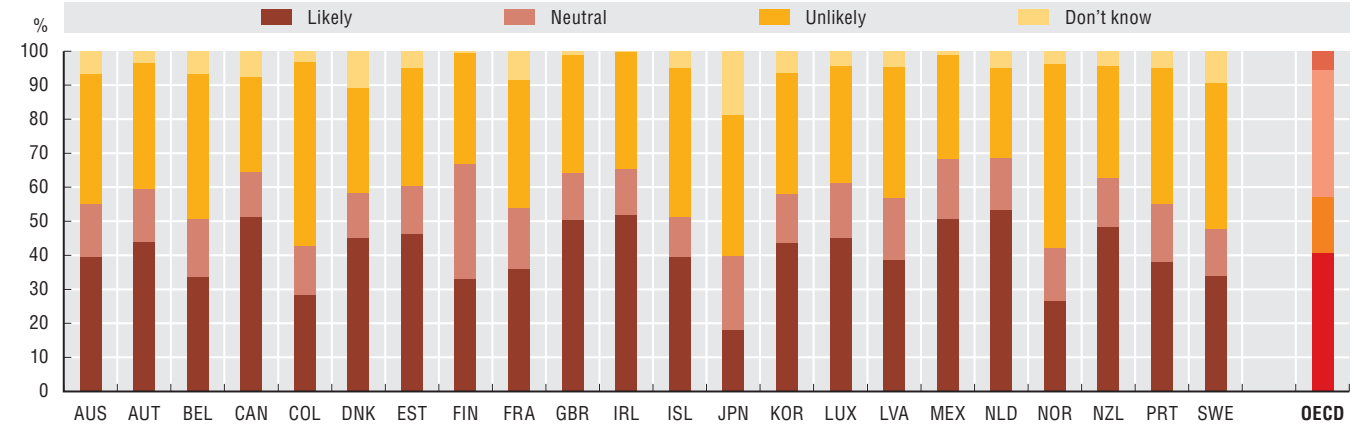
4.1. Refers to the question "If a decision affecting your community is to be made by the local government, how likely or unlikely do you think it is that you would have an opportunity to voice your views?".

4.2. Refers to the question "If many people complained about a public service that is working badly, how likely or unlikely do you think it is that it would be improved?".

4.3. Refers 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?" Finland and Norway are excluded from the figure as the data are not available.

4.1. Perceptions of opportunities to influence local decisions, 2021

Share of respondents reporting different levels of likelihood that they would have a voice in community decisions

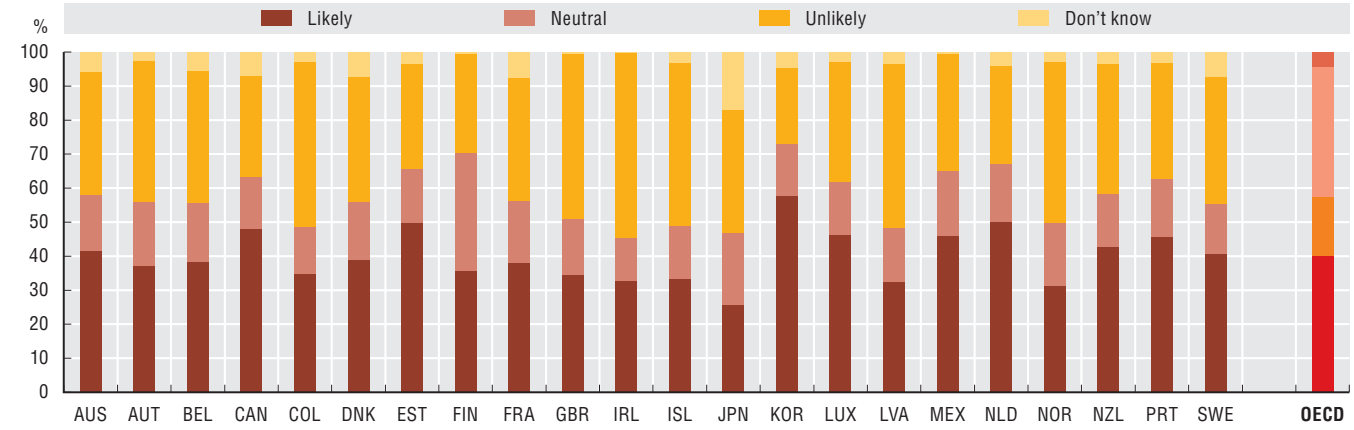


Source: OECD Trust Survey (*http://oe.cd/trust*).

StatLink https://stat.link/e54tvu

4.2. Perceptions of responsiveness to public complaints, 2021

Share of respondents reporting different levels of perceived likelihood that a public service that is working badly would be improved if many people complained

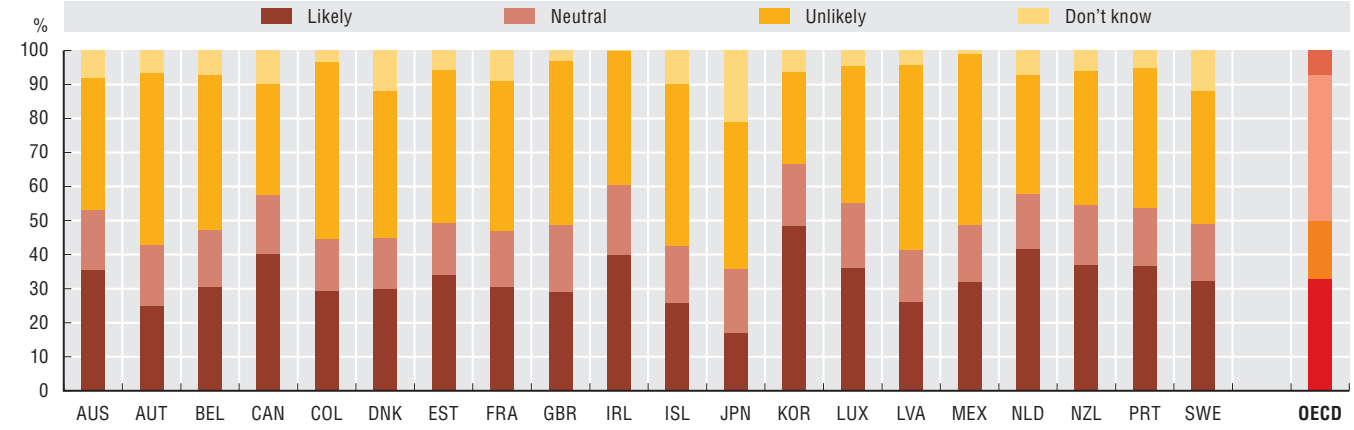


Source: OECD Trust Survey (*http://oe.cd/trust*).

StatLink https://stat.link/ms6q89

4.3. Perceptions of efficacy of public consultation, 2021

Share of respondents reporting different levels of likelihood that opinions expressed in a public consultation would be adopted



Source: OECD Trust Survey (*http://oe.cd/trust*).

StatLink https://stat.link/dfwqkl

Managing conflicts of interest

Preventing and managing conflicts of interest in the public sector is crucial to help governments strengthen and enhance public integrity. Left undetected or inappropriately managed, they can undermine the integrity of public officials, decisions, agencies and governments. If they are left unresolved, they can lead to corruption, as the private interests of public officials may improperly influence the decision-making process, and ultimately allow to be captured by private interests.

Transparency, openness and oversight of revolving door practices are key instruments for reducing conflicts of interest. OECD countries also adopt more targeted measures to manage conflict of interest, such as requiring public officials to disclose their private financial interests and assets, ensuring that these are verified and applying sanctions in the case of non-compliance. Ministers are legally required to disclose their private interests upon entry and any change or renewal in public office in 23 out of 26 surveyed OECD countries (88%), and members of parliament in 26 countries. Top-tier senior civil servants of the executive (first level below the minister) are required to disclose their interests in 20 out of 29 countries (69%), and members of the highest bodies of the judiciary in 18 out of 29 countries (62%). Disclosure of private interests is required across all three branches of government in 17 OECD countries (Table 4.4).

At the same time, many OECD countries lack statistics on the actual implementation of the legal requirements. In practice, the countries with a system in place to oversee compliance with regulatory requirements, and which provided the data, generally perform well. All ministers and MPs submitted their interest declarations during the past six years in Austria, Chile, Finland, Ireland, Latvia, Luxembourg and the United States, and over 95% did so in Australia, the Czech Republic France and Israel. All senior members of the judiciary disclosed their interests in Australia, the Czech Republic, France, Latvia and the United States. Over 95% of top-tier senior civil servants of the executive branch (first level below the minister) provided interest declarations in Chile, Finland, France, Latvia, Mexico, New Zealand, Spain and the United States (Table 4.4).

Verifying the content of private interest declarations can strengthen compliance. Of the 27 OECD countries surveyed, only in Canada, Chile, Japan, Luxembourg, Spain and the United States has the responsible authority verified over 60% of declarations filed over the last two years. In eight countries, the rate is below 60%, and in the remaining nine the data are not available (Figure 4.5).

Enforcing conflict-of-interest requirements is vitally important to deterring non-compliance and ensuring the legitimacy of and trust in integrity systems. Out of 29 OECD countries surveyed, 22 (76%) have defined sanctions in the regulatory framework for breaching conflict-of-interest provisions. In practice, nine of these have issued sanctions in the past three years for non-compliance with disclosure obligations, non-management or non-resolution of a conflict-of-interest situation (Figure 4.6).

Methodology and definitions

Data were collected through a questionnaire based on the OECD Public Integrity Indicators on Accountability of Public Policy Making. Twenty-nine OECD countries and one accession country (Brazil) responded. Respondents were senior officials responsible for integrity policies in central government. The OECD Public Integrity indicators measure the state of play against the OECD Recommendation on Public Integrity.

Public integrity refers to the consistent alignment of, and adherence to, shared ethical values, principles and norms for upholding and prioritising the public interest over private interests in the public sector.

A conflict of interest involves a conflict between the public duty and private interests of a public official where the public official has private-capacity interests which could improperly influence the performance of their official duties and responsibilities.

Further reading

OECD (2020), *OECD Public Integrity Handbook*, OECD Publishing, Paris, *https://doi.org/10.1787/ac8ed8e8-en*.

OECD (2017), "Recommendation of the Council on Public Integrity", *OECD Legal Instruments*, OECD, Paris, *https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0435*.

OECD (2004), "Recommendation of the Council on Guidelines for Managing Conflict of Interest in the Public Service", *OECD Legal Instruments*, OECD, Paris, *https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0316*.

Figure notes

4.4. Legal requirement: all those affected must submit an interest declaration, at a minimum upon entry and any renewal or change in public office. Declarations in practice: general interest declarations submitted as a percentage of the total required.

4.5. Data for Brazil are not available.

4.6. Inner ring: sanctions for breaches of conflict-of-interest provisions are defined and proportional to the severity of the offence. Outer ring: a range of sanctions has been issued during the past three years in cases of non-compliance with disclosure obligations, non-management or non-resolution of a conflict-of-interest situation. Lack of sanctions does not automatically mean a lack of enforcement; breaches may not have occurred or been detected. Brazil: Yes for inner ring, not available for outer ring.

4.4. Private interest declarations across public functions: Regulations and practice, 2022

	Members of government		Members of Parliament		Members of highest bodies of the judiciary		Newly appointed or reappointed top-tier civil servants	
	Legal requirement	Declarations in practice (last 6 years)	Legal requirement	Declarations in practice (last 6 years)	Legal requirement	Declarations in practice (last 4 years)	Legal requirement	Declarations in practice (last 4 years)
Australia	Yes	100%	Yes	99%	Yes	100%	Yes	N/A
Austria	Yes	100%	Yes	100%	No	N/A	No	N/A
Canada	Yes	N/P	Yes	N/P	No	N/P	Yes	N/P
Chile	Yes	100%	Yes	100%	Yes	52%	Yes	100%
Costa Rica	Yes	N/A	Yes	N/A	Yes	N/A	Yes	N/A
Czech Republic	Yes	100%	Yes	96%	Yes	100%	Yes	N/A
Denmark	No	N/A	Yes	N/A	No	N/A	No	N/A
Estonia	Yes	N/P	Yes	N/P	Yes	N/P	Yes	N/P
Finland	Yes	100%	Yes	100%	Yes	N/A	Yes	100%
France	Yes	100%	Yes	99%	Yes	100%	Yes	96%
Greece	Yes	N/A	Yes	100%	Yes	N/A	Yes	N/A
Ireland	Yes	100%	Yes	100%	No	N/A	Yes	N/A
Israel	Yes	98%	Yes	100%	Yes	N/P	Yes	N/P
Japan	Yes	N/A	Yes	N/A	No	N/A	Yes	N/A
Korea	No	N/A	Yes	N/A	No	N/A	No	N/A
Latvia	Yes	100%	Yes	100%	Yes	100%	Yes	100%
Luxembourg	Yes	100%	Yes	100%	No	N/A	No	N/A
Mexico	Yes	94%	Yes	N/A	Yes	N/A	Yes	100%
Netherlands	Yes	N/P	Yes	N/P	Yes	N/P	Yes	N/P
New Zealand	No	100%	N/P	N/P	N/P	N/P	No	100%
Norway	Yes	N/A	Yes	N/A	Yes	N/A	No	N/A
Poland	Yes	100%	Yes	N/A	Yes	N/A	Yes	N/A
Slovak Republic	Yes	N/A	Yes	N/A	Yes	N/A	Yes	N/A
Slovenia	Yes	N/P	Yes	N/P	Yes	N/P	Yes	N/P
Spain	No	100%	N/A	N/A	No	N/A	No	100%
Sweden	No	N/A	No	N/A	No	N/A	No	N/A
Switzerland	No	N/A	Yes	N/A	No	N/A	No	N/A
Türkiye	Yes	N/A	Yes	N/A	Yes	N/A	Yes	N/A
United States	Yes	100%	Yes	100%	Yes	100%	Yes	99%
OECD Total								
YES	23		26		18		20	
NO	6		1		10		9	
OECD Average								
Declarations (%)		99%		100%		92%		99%
Brazil	Yes	N/A	Yes	N/A	Yes	N/A	Yes	N/A

N/A: data not available: data the country could not provide because it does not exist.

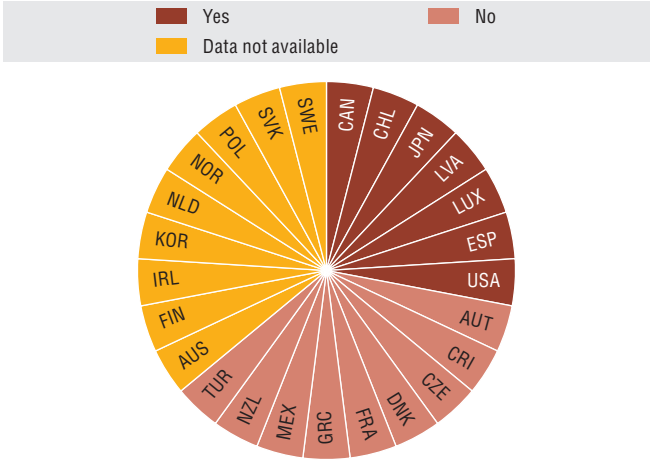
N/P: data not provided: data missing from questionnaire responses.

Source: OECD (2022), Public Integrity Indicators (database), *https://oecd-public-integrity-indicators.org/*.

StatLink https://stat.link/u0prcg

4.5. Verifications of private interest declarations in practice, 2022

The responsible authority has verified at least 60% of declarations filed in the last two full calendar years

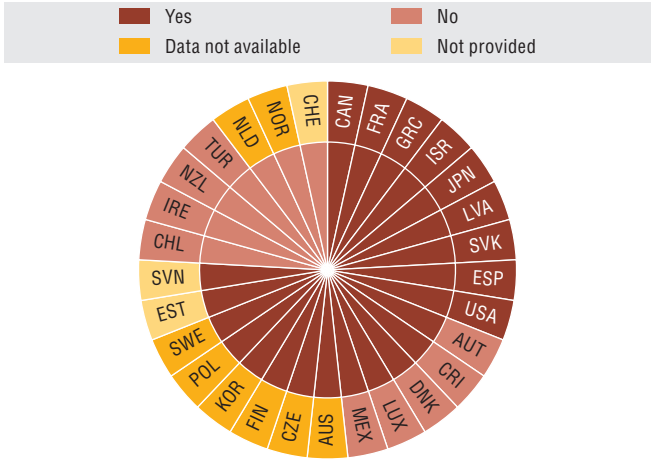


Data not available: data the country could not provide because it does not exist.

Source: OECD (2022), Public Integrity Indicators (database), *https://oecd-public-integrity-indicators.org/*.

StatLink https://stat.link/kzglp8

4.6. Sanctions for breaches of conflict-of-interest provisions: Regulations and enforcement, 2022



Note: Inner ring: sanctions are defined; outer ring: sanctions for breaches have been issued in the past three years.

Data not available: data the country could not provide because it does not exist.

Not provided: data missing from questionnaire responses.

Source: OECD (2022), Public Integrity Indicators (database), *https://oecd-public-integrity-indicators.org/*.

StatLink https://stat.link/skmdvr

Lobbying and influence

Interest groups can provide governments with valuable information about various public policies and regulations in place or under consideration. Nonetheless, experience shows that without the necessary safeguards, the abuse of lobbying practices – such as the monopoly of influence by special interest groups, undue influence through covert or deceptive evidence, or the manipulation of public opinion – can result in decisions on essential public policies that have hidden harmful impacts. Ultimately, the result can be public dissatisfaction with public institutions and democratic processes.

There is a widespread perception that policy makers and public policies may be influenced by special interest groups leading to policy outcomes contrary to the public interest. According to the OECD Trust Survey, 47.8% of people on average across 22 OECD countries, think that a high-level political official would grant a political favour in exchange for the offer of a well-paid private sector job (Figure 4.7). The OECD Recommendation on Principles for Transparency and Integrity in Lobbying provides direction and guidance on regulations or policies on transparency and integrity standards to mitigate the risks of undue influence and policy capture.

Twelve out of 29 OECD countries with data available (41%) provide transparency through a publicly available lobbying register. In 10 countries, these registers include information on the lobbyist's name, the domain of intervention and the type of lobbying activities. Three OECD countries have a lobbying register that also discloses budget and expenses for lobbying activities, and the piece of legislation or regulation targeted (Figure 4.8).

Ten out of 29 OECD countries (34%) have a set of sanctions defined in the regulatory framework in case of breaches of transparency and integrity standards in lobbying. Seven of these countries have carried out investigations for non-compliance with the regulation of lobbying activities or incomplete or erroneous disclosure of information (Figure 4.9).

Methodology and definitions

Data were collected through a questionnaire based on the OECD Public Integrity Indicators on Accountability of Public Policy Making. Twenty-nine OECD countries and one accession country (Brazil) responded. Respondents were senior officials responsible for integrity policies in central government. The OECD Public Integrity indicators measure the state of play against the OECD Recommendation on Public Integrity.

Public integrity refers to the consistent alignment of, and adherence to, shared ethical values, principles and norms for upholding and prioritising the public interest over private interests in the public sector.

Special interest groups are groups, usually limited in number relative to the population, that are well-organised and have significant financial resources to focus on influencing public policies and regulations on a specific issue. The term has a negative connotation and denotes actions by these groups that primarily benefit the groups themselves, at the expense of society as a whole.

Undue influence is the attempt to influence the design, implementation, execution and evaluation of public policies and regulations administered by public officials, whether by providing covert, deceptive or misleading evidence or data; manipulating public opinion; or using other practices intended to manipulate the decisions of public officials.

Further reading

OECD (2021), *Lobbying in the 21st Century: Transparency, Integrity and Access*, OECD Publishing, Paris, *https://doi.org/10.1787/c6d8eff8-en*.

OECD (2020), *OECD Public Integrity Handbook*, OECD Publishing, Paris, *https://doi.org/10.1787/ac8ed8e8-en*.

OECD (2010), "Recommendation of the Council on Principles for Transparency and Integrity in Lobbying", *OECD Legal Instruments*, OECD, Paris, *https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0379*.

Figure notes

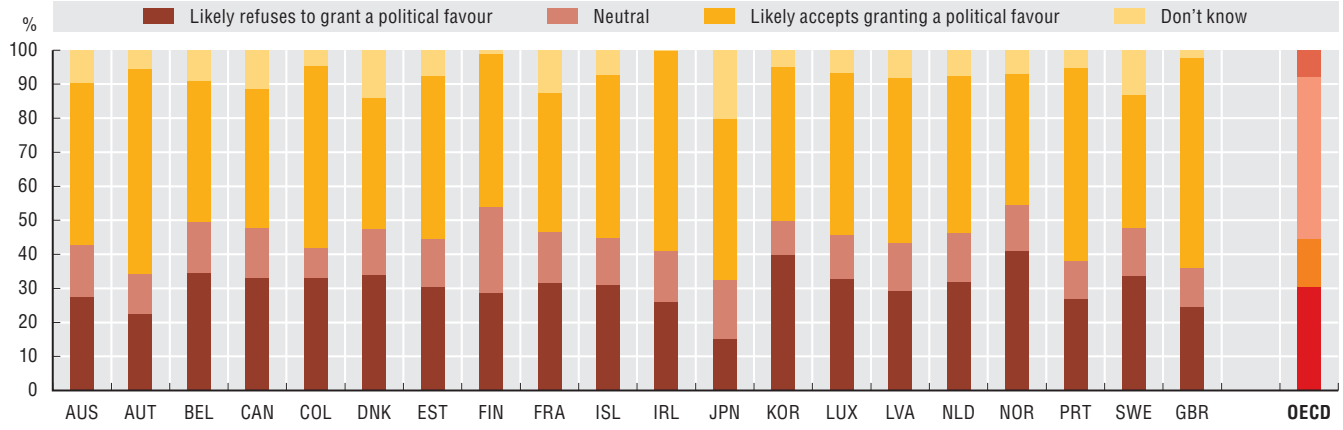
4.7. "OECD" presents the unweighted average across countries. Refers to the question "If a high-level politician were offered the prospect of a well-paid job in the private sector in exchange for a political favour, how likely or unlikely do you think it is that they would refuse it?". "Likely refuses to grant a political favour" corresponds to responses of 6-10 on a 0-10 scale; "Neutral" to 5; "Likely accepts granting a political favour" to 0-4; and "Don't know" was a separate option.

4.8. Inner ring: lobbyists' registration tools are accessible for all and detail step-by-step registration procedures. Middle ring: information in the lobbyists' register include name, organisation, domain of intervention and type of lobbying activities. Outer ring: information in the lobbyists' register includes budget/expenses for lobbying activities and legislation and regulations targeted.

4.9. Inner ring: proportional sanctions for breaches of transparency and integrity standards related to lobbying or influence are defined in regulations. Outer ring: at least one investigation was carried out in the last full calendar year for non-compliance with the transparency and integrity standards related to lobbying and influence or for incomplete or erroneous disclosure of information.

4.7. Perceptions of undue influence, 2021

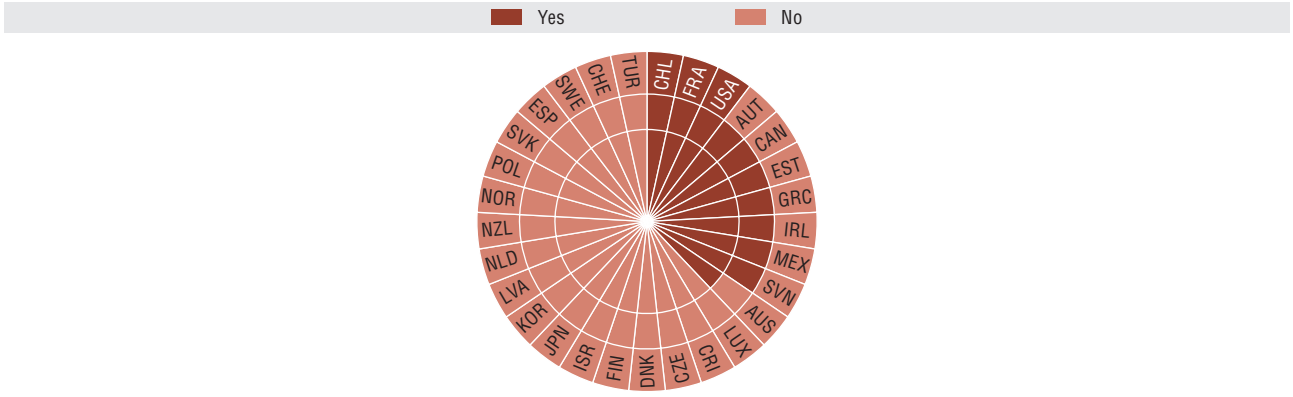
Share of respondents who indicate that an elected or appointed official would accept or refuse the offer of a well-paid private sector job in exchange for a political favour



Source: OECD Trust Survey (*http://oe.cd/trust*).

StatLink https://stat.link/svxh0y

4.8. Quality of lobbying registers: Accessibility and coverage, 2022

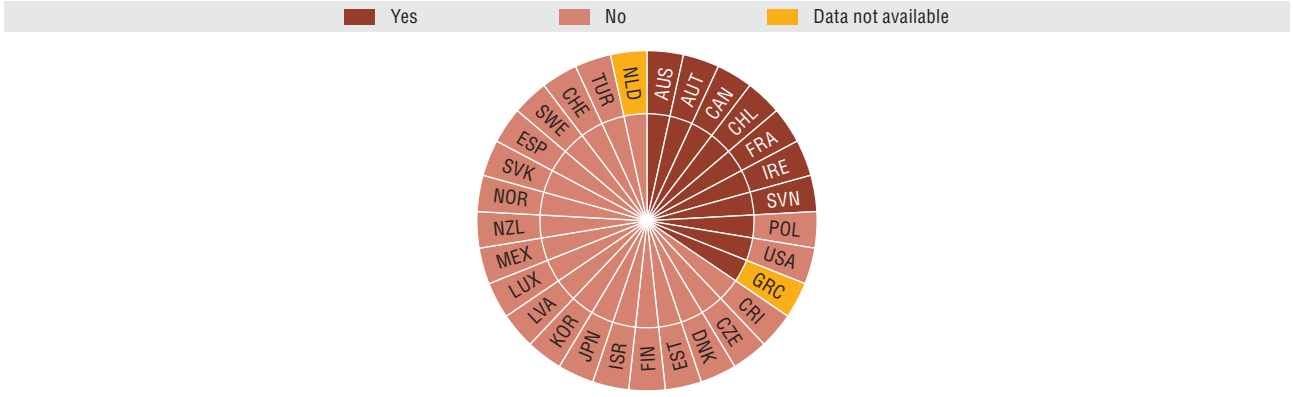


Note: Inner ring: lobbying registers are accessible; middle ring: registers record basic information; outer ring: registers record extended information.

Source: OECD (2022), Public Integrity Indicators (database), *https://oecd-public-integrity-indicators.org/*.

StatLink https://stat.link/qpbsdw

4.9. Sanctions for breaches of transparency or integrity lobbying: Regulations and practice, 2022



Note: Inner ring: sanctions are defined; outer ring: investigations have been carried out in the past year.

Data not available: data the country could not provide because it does not exist.

Source: OECD (2022), Public Integrity Indicators (database), *https://oecd-public-integrity-indicators.org/*.

StatLink https://stat.link/nz4bwe

Financing of political parties and electoral campaigns

Financial contributions allow individuals and entities to support candidates and political parties running for election and to represent their ideas and interests. However, if the financing of political parties and electoral campaigns is not adequately regulated, it may become an instrument for undue influence and policy capture. Ensuring transparency in the financing of political parties and electoral campaigns is therefore crucial to preventing undue influence and helping governments to strengthen and enhance public integrity.

Countries can enhance the transparency and integrity in the financing of political parties and election campaigns by requiring political parties to disclose financial reports, banning contributions from foreign actors and publicly owned enterprises, and enforcing regulations through an independent oversight body. In general, OECD countries have strong political finance regulations, but have room to improve their implementation and oversight.

Political parties are legally required to make their annual financial reports public in 26 out of 29 OECD countries with available data (90%). In practice, these reports were only published by all political parties in 19 countries. There are also legal requirements to disclose the funding and expenditure of election campaigns within set timelines in 27 out of 29 OECD countries (93%), but in practice these reports were delivered by all political parties and candidates within the timelines defined by national regulations for the past two election cycles in only 9 countries (Table 4.10).

In 15 out of 29 OECD countries with available data (52%), anonymous donations are completely banned, and all contributions made to political parties and candidates must be registered and reported. Political parties are prohibited by law from receiving financial contributions from publicly owned enterprises in 22 out of 29 countries (76%), and from foreign states or foreign enterprises in 23 countries. Fourteen OECD countries impose all three types of bans in their legal frameworks, while five do not impose any of them (Figure 4.11).

There is an independent oversight body to oversee the financing of political parties and election campaigns in 17 out of 27 OECD countries (63%). Fourteen countries have published information on the number of cases related to breaches of political finance regulations, the number of investigations conducted and a breakdown of the different types of sanctions issued. Three OECD countries have no independent oversight body and nor do they publish any of this type of information on political finance (Figure 4.12).

Methodology and definitions

Data were collected through a questionnaire based on the OECD Public Integrity Indicators on Accountability of Public Policy Making. Twenty-nine OECD countries and one accession country (Brazil) responded. Respondents were senior officials responsible for integrity policies in central government. The OECD Public Integrity indicators measure the state of play against the OECD Recommendation on Public Integrity.

Public integrity refers to the consistent alignment of, and adherence to, shared ethical values, principles and norms for upholding and prioritising the public interest over private interests in the public sector.

Further reading

OECD (n.d.), Public Integrity Indicators, *https://oecd-public-integrity-indicators.org/*.

OECD (2020), *OECD Public Integrity Handbook*, OECD Publishing, Paris, *https://doi.org/10.1787/ac8ed8e8-en*.

OECD (2017), "Recommendation of the Council on Public Integrity", *OECD Legal Instruments*, OECD, Paris, *https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0435*.

Figure notes

4.10. Annual financial reports (in practice): financial reports from all political parties are publicly available. Election campaigns (in practice): all political parties have submitted accounts related to elections within the timelines defined by national legislation for the past two election cycle.

4.11. Inner ring: ban on anonymous donations, and all contributions made to political parties and/or candidates must be registered and reported. Middle ring: ban on contributions from publicly owned enterprises. Outer ring: ban on contributions from foreign states or foreign enterprises. Brazil: Yes for all three indicators.

4.12. Inner ring: an independent body has the mandate to oversee the financing of political parties and election campaigns. Outer ring: the following information has been published: 1) number of cases related to breaches of political finance regulations; 2) number of investigations conducted; and 3) a breakdown of the different types of sanctions issued. Brazil: Yes for inner ring, No for outer ring.

4.10. Transparency of financing of political parties and election campaigns: Regulations and practice, 2022

	Political parties must make financial reports public, including all contributions exceeding a fixed ceiling		Parties and/or candidates must report their finances (funding and expenses) during electoral campaigns	
	In regulations	In practice	In regulations	In practice
Australia	Yes	Yes	Yes	No
Austria	Yes	No	Yes	Yes
Canada	Yes	Yes	Yes	Yes
Chile	Yes	Yes	Yes	No
Costa Rica	Yes	Yes	Yes	No
Czech Republic	Yes	Yes	Yes	No
Denmark	Yes	Yes	No	No
Estonia	Yes	N/P	Yes	N/P
Finland	Yes	Yes	Yes	No
France	Yes	Yes	Yes	No
Greece	Yes	Yes	Yes	Yes
Ireland	Yes	Yes	Yes	No
Israel	Yes	Yes	Yes	No
Japan	No	No	Yes	No
Korea	No	No	Yes	Yes
Latvia	Yes	Yes	Yes	No
Luxembourg	Yes	Yes	Yes	No
Mexico	Yes	Yes	Yes	No
Netherlands	Yes	Yes	Yes	Yes
New Zealand	Yes	No	Yes	No
Norway	Yes	Yes	Yes	Yes
Poland	Yes	Yes	Yes	No
Slovak Republic	Yes	No	Yes	Yes
Slovenia	Yes	N/P	Yes	N/P
Spain	Yes	No	Yes	N/A
Sweden	Yes	Yes	Yes	No
Switzerland	Yes	No	Yes	No
Türkiye	No	No	No	Yes
United States	Yes	Yes	Yes	Yes
OECD Total				
YES	26	19	27	9
NO	3	8	2	17
Brazil	YES	NO	YES	NO

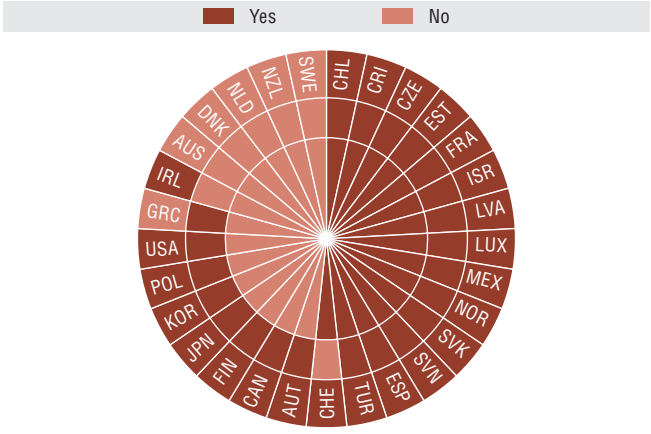
N/A: data not available: data the country could not provide because it does not exist.

N/P: data not provided: data missing from questionnaire responses.

Source: OECD (2022), Public Integrity Indicators (database), *https://oecd-public-integrity-indicators.org/*.

StatLink https://stat.link/ifdrhl

4.11. Oversight of political finance and election campaigns: Regulations, 2022

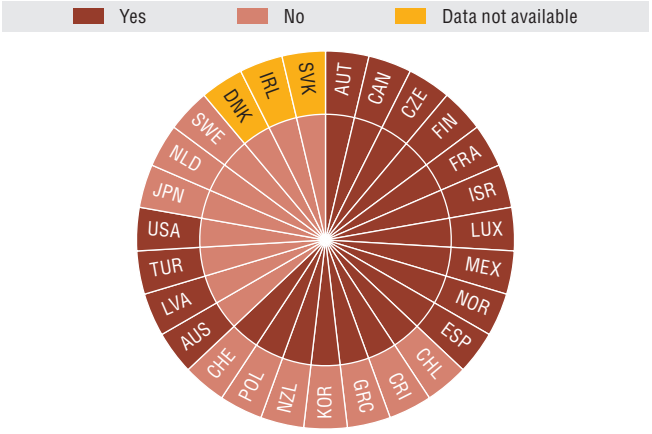


Note: Inner ring: ban on anonymous donations, and all contributions made to political parties and/or candidates must be registered and reported; middle ring: ban on contributions from publicly owned enterprises; outer ring: ban on contributions from foreign states or foreign enterprises.

Source: OECD (2022), Public Integrity Indicators (database), *https://oecd-public-integrity-indicators.org/*.

StatLink https://stat.link/sf8q3z

4.12. Oversight of political finance and election campaigns: Independent oversight and public information, 2022



Note: Inner ring: an independent body has the mandate to oversee the financing of political parties and election campaigns; outer ring: information on breaches, investigations and sanctions published.

Data not available: the country could not provide the data because it does not exist.

Source: OECD (2022), Public Integrity Indicators (database), *https://oecd-public-integrity-indicators.org/*.

StatLink https://stat.link/jnbmkc

Rule of law

Modern societies require stability and a clear system for resolving conflicts both within a community and between people and the state. The rule of law is one of the foundations of democratic governance, ensuring that the same rules, standards, and principles apply to all individuals and organisations, including the government itself. The rule of law requires that everyone is treated equally in accordance with the law and receives fair treatment from independent and impartial courts (Venice Commission, 2011). The legal culture is enshrined in laws, codes, statues, traditions, rulings procedures and international agreements. Strengthening the rule of law is an essential prerequisite for ensuring the effective provision of public goods and services, for promoting economic development, maintaining peace and order, and ensuring accountability in the case of integrity breaches and corruption.

Judicial independence guarantees that judges are free to decide openly and impartially without fear of interference. On average, only 42.1% of respondents to the OECD Trust Survey expect that a court in their country be impartial on a decision that could negatively influence the government's image. Perceptions are most positive in Ireland (58%), Denmark (56%) and the Netherlands (53%), where more than half of respondents expect the judiciary to make decisions free from political influence (Figure 4.13).

Additional sources of data provide a more comprehensive picture. The World Justice Project (WJP) Rule of Law Index assesses several dimensions of the rule of law. During the COVID-19 pandemic, governments temporarily restricted parts of citizens' liberties and introduced exceptional governance procedures. Once government restrictions and emergency measures had been lifted, OECD countries fared slightly better on the index than before the pandemic and this may indicate a high level of resilience and the adaptability of their institutional frameworks and legal systems (Grogan 2022; WJP 2022).

Most OECD countries score highly across the WJP index dimensions. The *constraints on government powers* dimension of the WJP index measures the ability to exercise checks and controls on other parts of the government (i.e. effective horizontal accountability) and non-government checks such as a free and independent press; accountability and sanctioning of government officials; and transition of power subject to the law. The *fundamental rights* dimension covers how far governments abide by international human rights established under the United National Universal Declaration of Human Rights, including rights to equal treatment and absence of discrimination, to life and security, and to freedom of opinion and expression. The two dimensions are highly correlated across countries. With scores above or close to 0.9 (where 0 is the weakest and 1 the strongest adherence to the rule of law) Nordic countries are top performers on both dimensions (Figure 4.14).

Methodology and definitions

The Rule of Law Index captures eight dimensions: 1) *constraints on government powers*; 2) *absence of corruption*; 3) *open government*; 4) *fundamental rights*; 5) *order and security*; 6) *regulatory enforcement*; 7) *civil justice*; and 8) *criminal justice*. The World Justice Project collects nationally representative samples (some countries restrict their sample to major urban areas) in a mix of face-to-face/online surveys and local expert interviews in each country. Data are available for 36 OECD countries as well as 1 accession country (Brazil) and 4 strategic partners. All country scores are normalised to a range between 0 (weakest adherence to the rule of law) and 1 (strongest adherence to the rule of law) and component scores are aggregated using simple averages.

The OECD explores perceptions of public governance using nationally representative data from the OECD Trust Survey conducted across 22 countries. Most countries were surveyed in November-December 2021, with a few surveys taking place in 2020 and January-March 2022.

Further reading

Grogan, J. (2022), "COVID-19, The Rule of Law and Democracy. Analysis of Legal Responses to a Global Health Crisis", *Hague Journal on the Rule of Law*, Vol. 14/2-3, pp. 349-369, *https://doi.org/10.1007/s40803-022-00168-8*.

WJP (2022), *Rule of Law Index 2022*, World Justice Project, Washington, DC, *https://worldjusticeproject.org/rule-of-law-index/downloads/WJPIndex2022.pdf*.

Venice Commission (2011), *Report on the Rule of Law*, Venice Commission of the Council of Europe, *www.venice.coe.int/webforms/documents/?pdf=CDL-AD(2011)003rev-e*.

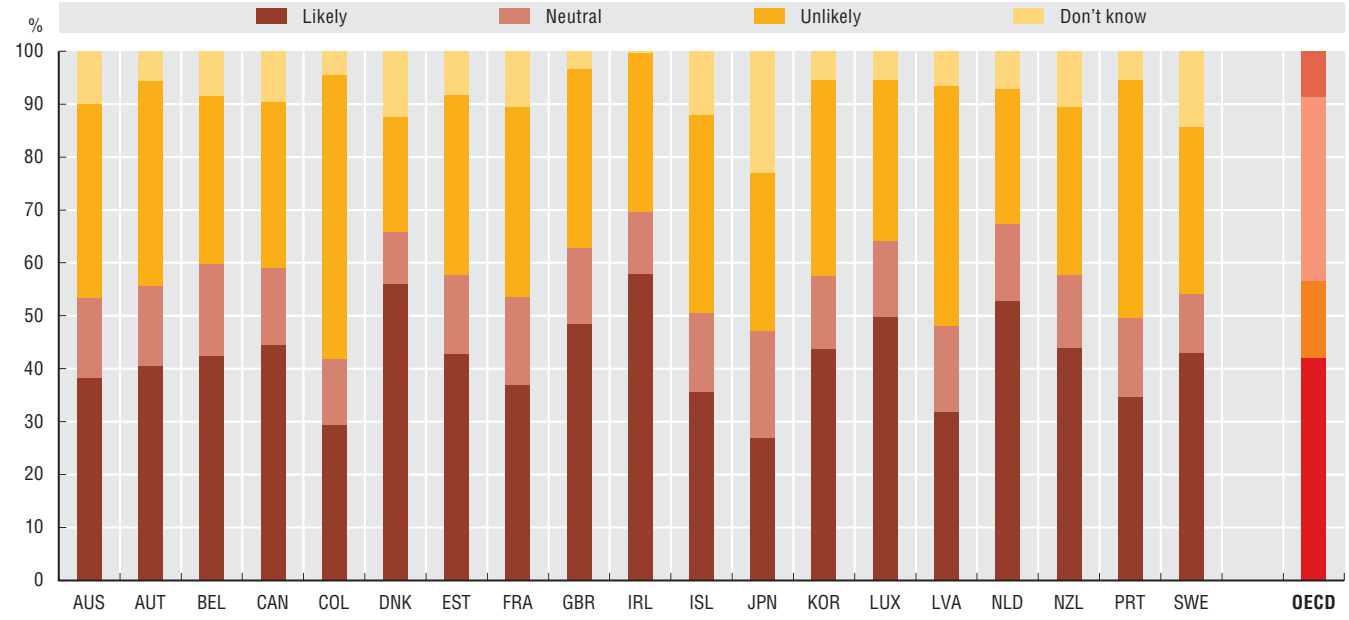
Figure notes

4.13. Refers 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?". "Likely" corresponds to responses of 6-10 on a 0-10 scale, "Neutral" to 5 and "Unlikely" to 0-4; "Don't know" was a separate option. "OECD" presents the unweighted average across countries. Data for Finland, Mexico and Norway are not available.

4.14. Data for Iceland, Israel and Switzerland are not available. Latvia, Lithuania, Luxembourg and the Slovak Republic were included for the first time in 2022.

4.13. Trust in judicial independence, 2021

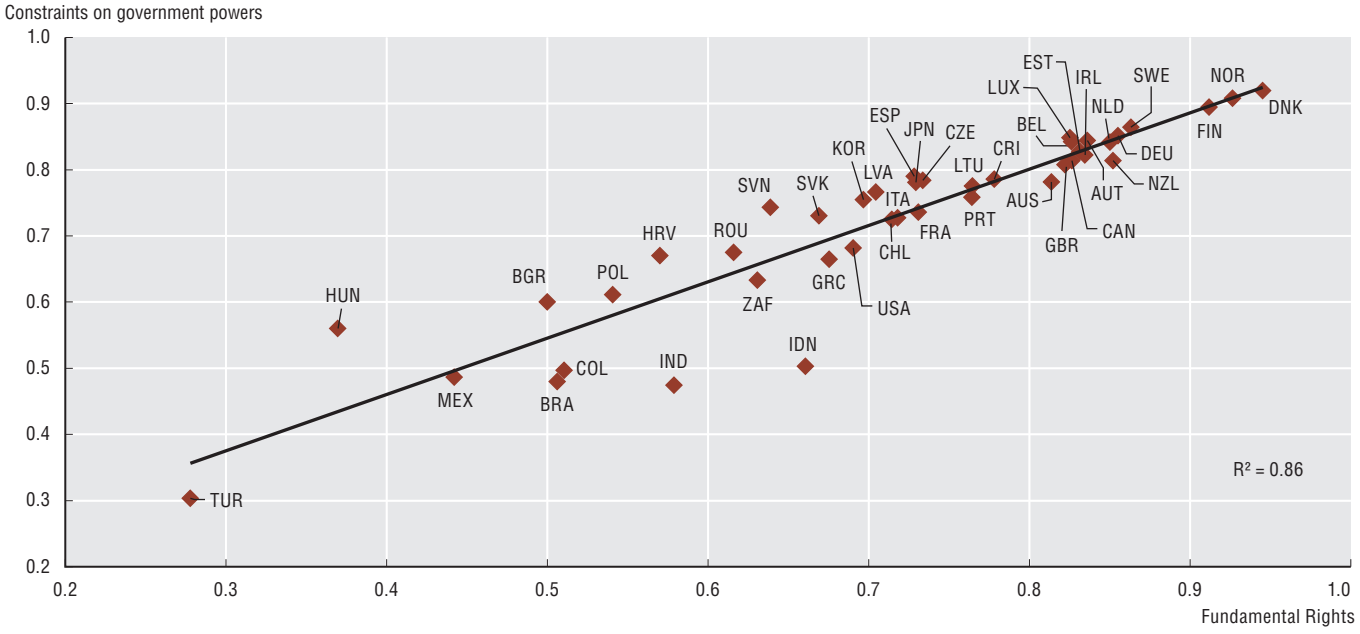
Share of respondents reporting different levels of perceived likelihood that a court would make a decision that could negatively affect the government's image



Source: OECD Trust Survey (*http://oe.cd/trust*).

StatLink https://stat.link/csabjz

4.14. Limited government powers versus fundamental rights, 2022



Source: WJP (2022), Rule of Law Index 2022.

StatLink https://stat.link/71z5n4

Special feature: Transboundary impacts

A more interconnected world economy means that individual countries' policies can have spill over effects, or impacts other countries and the global commons. The transmission channels for such transboundary impacts are numerous and complex, including financial flows, imports and exports of goods and services, the migration of people, transfers of knowledge or carbon emissions, to name a few. The challenge is that when countries focus solely on domestic interests, their actions might have a negative impact on other countries and these effects in turn might have a negative impact on their own society, environment and domestic economy. This is why policy coherence has become crucial to policy-making in the current global context.

The capacity of governments to anticipate and address the transboundary impact of their policies is essential to achieve global agendas, such as the 2030 agenda for sustainable development. The OECD Recommendation on Policy Coherence for Sustainable Development provides a comprehensive standard to equip policy-makers with the mechanisms and tools they need to address transboundary impacts. The recommendation provides a set of guiding principles structured around three pillars: 1) building a strategic vision, commitment and leadership towards policy coherence; 2) strengthening institutional mechanisms to address policy interactions across sectors and align actions among levels of government; and 3) developing a set of responsive tools to anticipate, assess and address the domestic, transboundary and long-term impacts of policies.

OECD countries that responded to the survey on policy coherence have made progress in improving impact assessment practices as the mechanism for analysing transboundary impacts when implementing programmes, policies, regulations and draft laws. However, less than half of these countries (5 out of 12, 42%) require policy makers to conduct analysis on transboundary impacts during such implementation (Figure 4.15). One-third (4 out of 12) are using indicators or other available data to monitor transboundary impacts (Figure 4.16). Challenges include limited data at appropriate stages of the policy-making process, high demands on resources and capacity, difficulty in establishing clear causal links between policies in one country and effects in another country where externalities are often not linear, and ensuring that assessment of transboundary impacts is a systematic process. Moreover, governments need to facilitate effective communication and strengthen capacity across the administration and levels of government to effectively address transboundary impacts and to use available tools, evidence and data to reduce negative impacts and better understand the implications and costs of not doing so.

Methodology and definitions

Data are from the 2022 OECD Survey on Institutional Capacities and Tools to Enhance Policy Coherence for Sustainable Development. This was conducted in collaboration with the OECD Network of National Focal Points for Policy Coherence from 22 March 2022 to 6 November 2022. The purpose of the survey was to provide key information for the preparation of the first progress report on the on implementation of the OECD Recommendation on Policy Coherence for Sustainable Development (OECD, 2019) to be presented to the OECD Council in 2024.

Transboundary impacts refer to any effect – intended or not – originating in one country that crosses national borders through flows of capital, goods, people and natural resources, and that is able to affect positively or negatively other countries or the global commons. These impacts can result from deliberate actions with an explicit transboundary objective, such as official development assistance, but also from domestic policies and circumstances unrelated to direct policies.

The global commons are those parts of the planet that fall outside national jurisdictions and to which all nations have access, such as oceans and the climate system.

Further reading

Ino, J., F. Murtin and M. Shinwell (2021), "Measuring transboundary impacts in the 2030 Agenda: Conceptual approach and operationalisation", *OECD Papers on Well-being and Inequalities*, No. 01, OECD Publishing, Paris, *https://doi.org/10.1787/62f13e92-en*.

OECD/EC-JRC (2021), *Understanding the Spillovers and Transboundary Impacts of Public Policies: Implementing the 2030 Agenda for More Resilient Societies*, OECD Publishing, Paris, *https://doi.org/10.1787/862c0db7-en*.

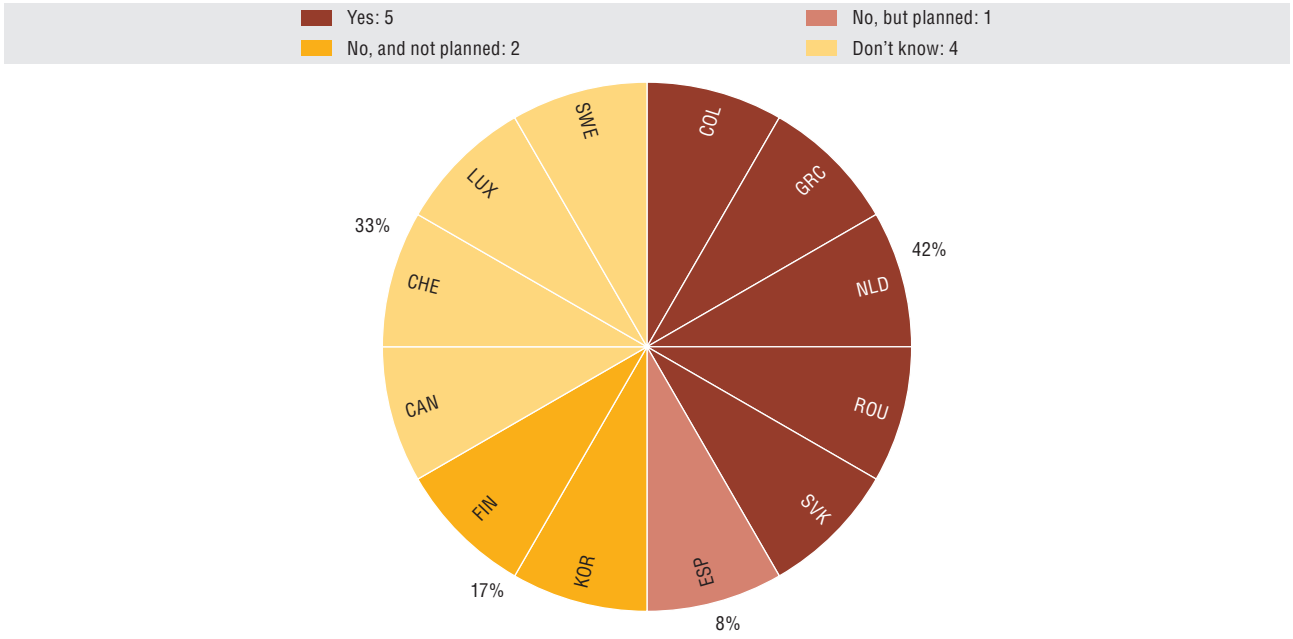
OECD (2019), "Recommendation of the Council on Policy Coherence for Sustainable Development", *OECD Legal Instruments*, OECD, Paris, *https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0381*.

Figure notes

4.15. Refers to the question "Are there requirements to conduct analysis of transboundary impacts when implementing legislation/regulation/policies/programmes? Please choose one of the following answers". The options were "Yes", "No, but planned", "No and not planned", and "Don't know".

4.16. Refers to the question: "Does your country monitor transboundary impacts using indicators or other available data? Please choose one of the following answers". The options were "Yes", "No, but planned", "No and not planned" and "Don't know".

4.15. Requirements to analyse transboundary impacts when implementing legislation/regulation/policies/programmes, 2022



Source: The 2022 Survey on Institutional Capacities and Tools to Enhance Policy Coherence for Sustainable Development (PCSD) is an unpublished internal document.

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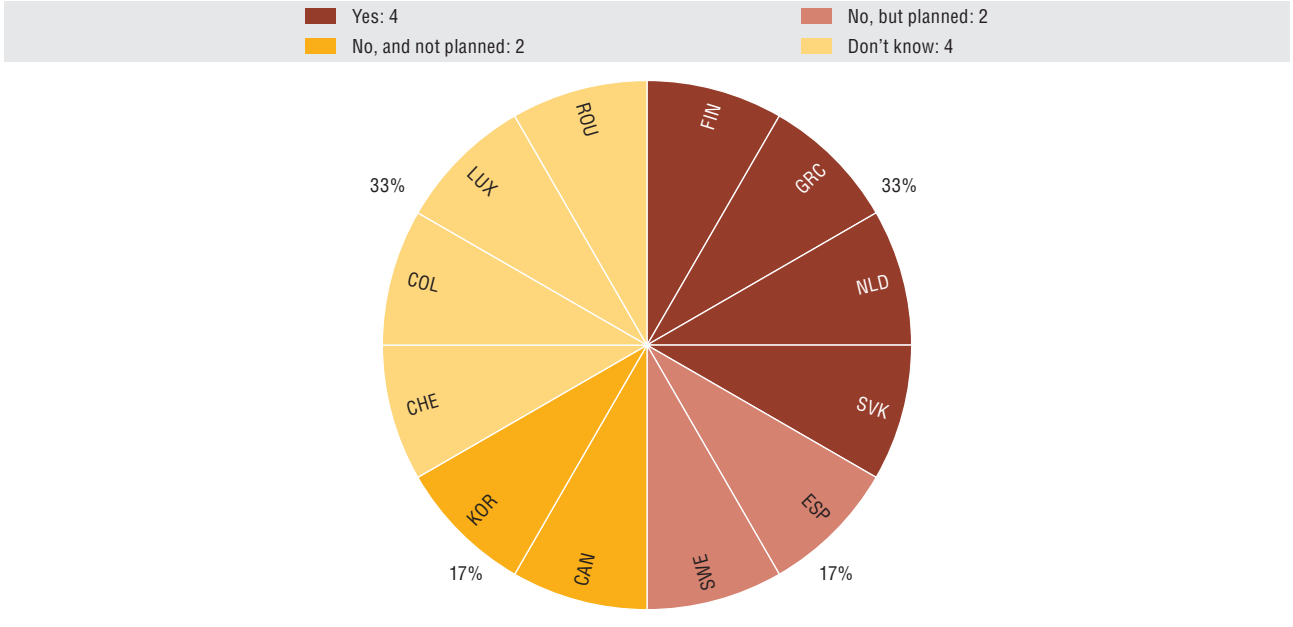
4.16. Monitoring of transboundary impacts, 2022



Source: The 2022 Survey on Institutional Capacities and Tools to Enhance Policy Coherence for Sustainable Development (PCSD) is an unpublished internal document.

StatLink https://stat.link/7196af

5. REGULATORY GOVERNANCE

Stakeholder engagement

Regulatory impact assessment

Ex post evaluation

International regulatory co-operation

Resourcing of economic regulators

Stakeholder engagement

In the face of global crises and complex policy problems, governments have been required to regulate faster and better and attempt to build a sense of shared policy ownership. Giving the opportunity to business, citizens and the public to shape, reform and challenge regulations is important to improve the design and quality of regulations.

The OECD Indicators of Regulatory Policy and Governance (iREG) measure the quality of communication, consultation, and stakeholder engagement when developing regulations. The quality of stakeholder engagement in developing regulations has been improving slowly. 16 of 38 OECD countries (42%) plus the EU improved the quality of their stakeholder engagement for primary laws between 2018 and in 2021 (Figure 5.1), and 17 of 38 (45%) plus the EU for subordinate regulations (Figure 5.2). Systematic adoption improved through new requirements to conduct stakeholder engagement, and through conducting late stage consultations more frequently. Recent improvements include the increased use of virtual consultation meetings (in large part driven by the impacts of the COVID-19 pandemic), and the transparency of consultation processes. Since 2018, countries such as Chile, Colombia, Costa Rica, Greece, Iceland, Latvia, the Netherlands, Norway, and Spain have broadened consultation practices and made them more accessible.

Nonetheless, most OECD countries still have significant scope to improve stakeholder engagement. Despite recent changes, the area with the greatest scope for improvement, for both primary laws (Figure 5.1) and subordinate regulations (Figure 5.2), remains Oversight and Quality Control (mechanisms to monitor and ensure the quality of stakeholder engagement).

There is also scope to improve on Transparency. Informing stakeholders before consultations begin can save time, resources and energy. Only 6 of 38 OECD countries (16%) and the EU announce all forthcoming consultations on primary laws. Only 4 of 38 (11%) and the EU announce consultations on subordinate regulations (Online Table G.2.1). Governments can engage stakeholders in regulation development both at an early stage (to gather data and ideas on possible solutions to problems) and a late stage (to consult on draft regulations). Only 7 of 38 OECD countries for which data is available (18%), plus the EU, systematically engage with stakeholders at an early stage. This has not improved in recent years. By contrast, providing opportunities to stakeholders to comment on draft regulatory proposals is a longstanding practice. In 29 of the 38 OECD countries (76%) plus the EU, stakeholders are now systematically consulted at a later stage of policy development. Some countries require consultation more frequently with affected parties. However, significant opportunities remain to enhance the oversight of consultations, and to report on how consultations have influenced the final design of regulatory proposals (OECD, 2021).

Methodology and definitions

The iREG survey draws on responses from delegates to the OECD Regulatory Policy Committee and central government officials. In 2021, 38 OECD countries, and the EU, responded to the survey. The data cover primary laws and subordinate regulations initiated by the executive. More information on iREG at *oe.cd/ireg*.

iREG is based on the *2012 OECD Recommendation on Regulatory Policy and Governance*. iREG assesses the quality of stakeholder engagement using a composite indicator. It contains four equally weighted categories: *Methodology*; *Oversight and Quality Control*; *Systematic Adoption;* and *Transparency*. The more practices a country has adopted, the higher its indicator score. The maximum score for each category is 1. The total score for the composite indicator ranges from 0 to 4. The indicator only covers practices in the executive.

Primary laws are regulations which must be approved by the legislature. Subordinate regulations can be approved by the head of government, a minister or the cabinet

Early stage consultation is conducted when policy makers have identified a public policy problem and are considering solutions. Late stage consultation is conducted when the decision to regulate has been made and proposed regulation is drafted.

Further reading

OECD (2021), *OECD Regulatory Policy Outlook 2021*, OECD Publishing, Paris, *https://doi.org/10.1787/38b0fdb1-en*.

OECD (2012), *Recommendation of the Council on Regulatory Policy and Governance*, OECD Publishing, Paris, *https://doi.org/10.1787/9789264209022-en*.

Figure notes

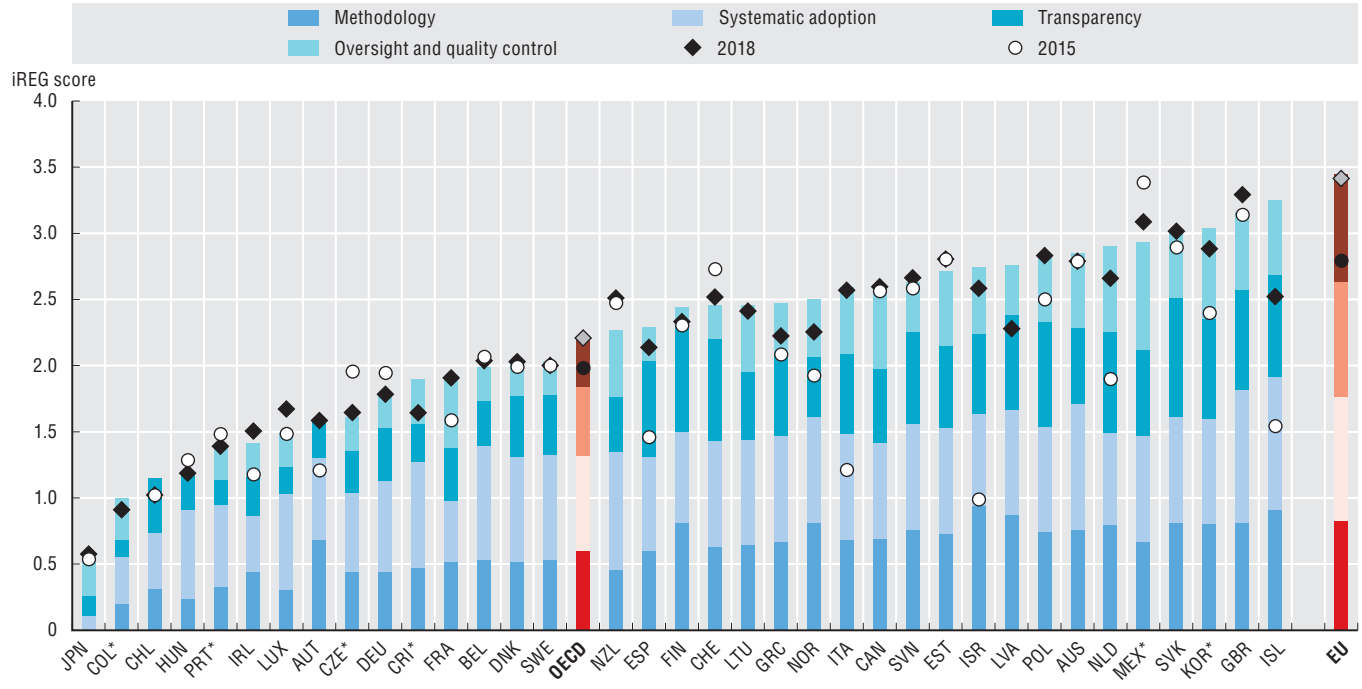
5.1 and 5.2. 2014 data based on 34 countries that were OECD members in 2014 and the EU. 2017 and 2021 data include Colombia, Costa Rica, Latvia, Lithuania.

5.1. Due to an ongoing process in the legislative system regarding RIAs 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.

5.1. Indicator only covers practices in the executive. Figure excludes the United States where all primary laws are initiated by Congress. *Countries where a higher share of primary laws are initiated by the legislature.

G.2.1 (Stakeholder engagement during policy design by country, 2021) is available online in Annex G.

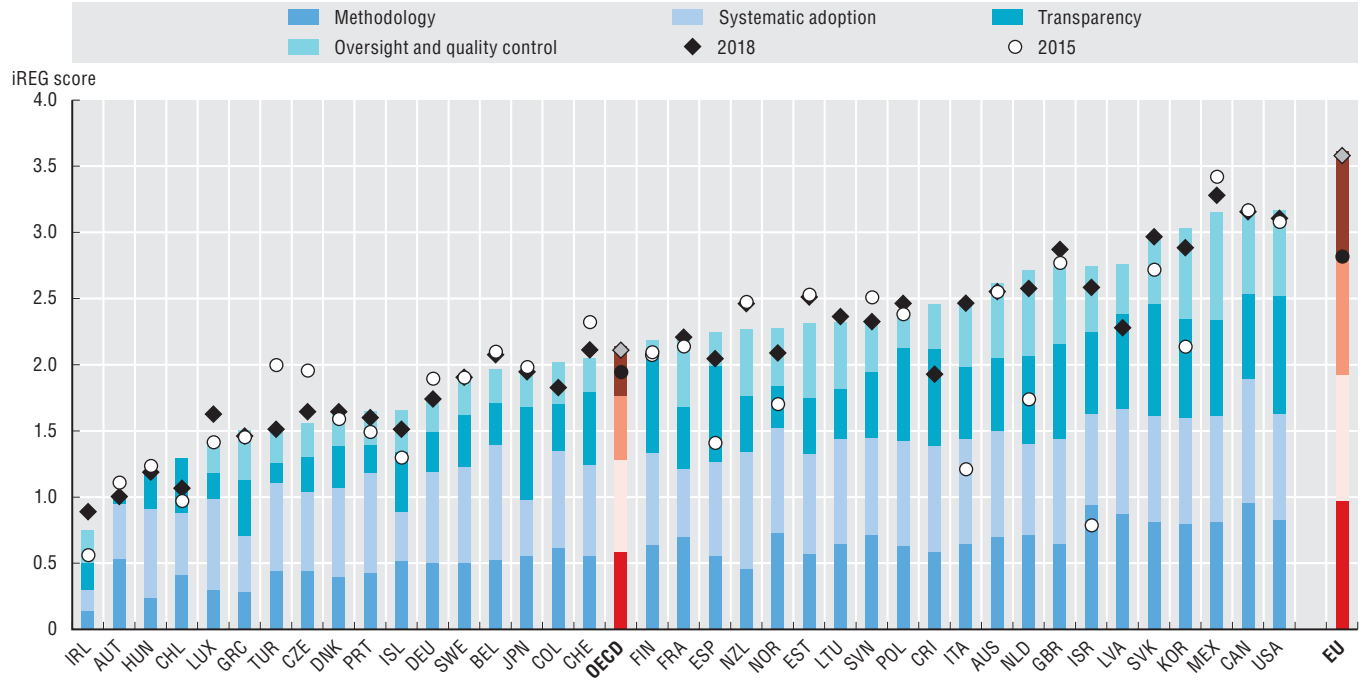
5.1. Stakeholder engagement in developing primary laws, 2021, and total score in 2015 and 2018



Source: Indicators of Regulatory Policy and Governance Surveys 2014, 2017 and 2021, *oe.cd/ireg*.

StatLink https://stat.link/8kiw0q

5.2. Stakeholder engagement in developing subordinate regulations, 2021, and total score in 2015 and 2018



Source: Indicators of Regulatory Policy and Governance Surveys 2014, 2017 and 2021, *oe.cd/ireg*.

StatLink https://stat.link/mtne4j

Regulatory impact assessment

When regulations are designed well, they can help to boost growth, tackle climate change, and enhance well-being. When not, they can result in unnecessary red tape and reduced trust in government action. Regulations should be clear, sound, and take into account a range of views. Regulatory impact assessment (RIA) supports decision-making by providing objective information about the likely benefits and costs of policy proposals. It is a tool to help governments create transparent, evidence-based policies. All OECD countries require RIA for some prospective regulations.

The Indicators of Regulatory Policy and Governance (iREG) survey measures the quality of OECD countries' RIA systems. The quality of RIA systems has been improving slowly over time. 23 of 38 OECD countries (61%) plus the EU improved the quality of their RIA systems relating to primary laws between 2018 and 2021 (Figure 5.3). 20 of 38 OECD countries (53%) plus the EU improved RIA systems relating to subordinate regulations over the same period (Figure 5.4). Some countries made substantial improvements. Latvia now requires RIAs to consider budgetary, financial, and administrative costs, and Israel, Portugal and Spain have all strengthened the scrutiny of information provided to decision makers in RIAs.

However, most OECD countries still have significant scope to improve their RIA systems. The areas with the greatest scope for improvement, for both primary laws (Figure 5.3) and subordinate regulations (Figure 5.4), is Oversight and Quality Control (mechanisms to monitor and ensure the quality of impact assessments), followed by Transparency. This remains the case despite the fact that these areas saw the largest improvements between 2018 and 2021.

OECD countries are considering a broader suite of impacts when conducting RIA. Of 34 OECD countries analysed plus the EU, virtually all now require consideration of competition, budgetary, and government impacts of regulatory proposals (Figure 5.5). More than 90% of those OECD countries and the EU now also require consideration of environmental impacts. The same percentage require analysis of small business, gender equality and various social impacts. Chile and Greece, for example, require an assessment of likely gender equity and other social impacts. Austria, France, Flanders in Belgium, and Germany apply "youth checks". Canada uses Gender-Based Analysis Plus to assess the impacts of policies and programmes on diverse social groups acknowledging intersecting identity factors. However, some relevant impacts remain less likely to be considered in RIAs, especially distributional factors by income and geography e.g. subnational and international impacts. Given the increasing interconnectedness of economies these types of impacts are likely to become ever more important in identifying the benefits and costs of regulatory proposals.

Methodology and definitions

The iREG survey draws on responses from central government officials. In 2021, 38 OECD countries, and the EU, responded to the survey. The data cover primary laws and subordinate regulations initiated by the executive. More information on iREG at *oe.cd/ireg*.

iREG is based on the practices described in the *2012 OECD Recommendation on Regulatory Policy and Governance*. The more practices a country has adopted, the higher its score. The composite indicator contains four equally weighted categories: *Methodology* gathers information on different assessments included in RIA; *Oversight and Quality Control* records mechanisms to monitor and ensure the quality of RIA; *Systematic Adoption* records formal requirements and how often RIA is conducted; *Transparency* records how open RIA processes are. The maximum score for each category is 1. The total score ranges from 0 to 4.

Primary laws are regulations which must be approved by the legislature. Subordinate regulations can be approved by the head of government, a minister or the cabinet.

Youth Check is an impact assessment tool designed to consider the impact on young people of any new policy or legislation that is relevant to them.

Further reading

OECD (2021), *OECD Regulatory Policy Outlook 2021*, OECD Publishing, Paris, *https://doi.org/10.1787/38b0fdb1-en*.

OECD (2020), *Regulatory Impact Assessment*, OECD Best Practice Principles for Regulatory Policy, OECD Publishing, Paris, *https://doi.org/10.1787/7a9638cb-en*.

OECD (2012), *Recommendation of the Council on Regulatory Policy and Governance*, OECD Publishing, Paris, *https://doi.org/10.1787/9789264209022-en*.

Figure notes

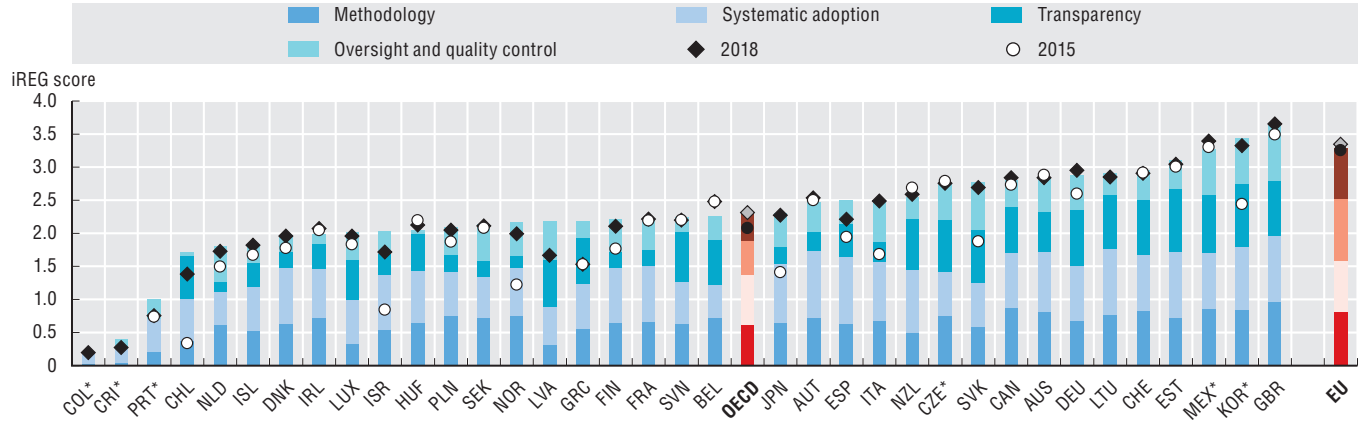
5.3. Indicator only covers practices in the Executive. Figure excludes the United States where all primary laws are initiated by Congress. *Indicates countries where a higher share of primary laws are initiated by the legislature.

5.3 and 5.4. 2014 data based on 34 countries that were OECD members in 2014 and the EU. 2017 and 2021 data include Colombia, Costa Rica, Latvia and Lithuania.

5.3 and 5.5. Due to an ongoing process in the legislative system regarding RIAs during the survey period affecting the processes for developing laws, composite indicators for Türkiye are not available for RIA for primary laws.

5.5. Data based on 34 OECD member countries and the EU. Data for Colombia, Costa Rica, Latvia and Lithuania not included.

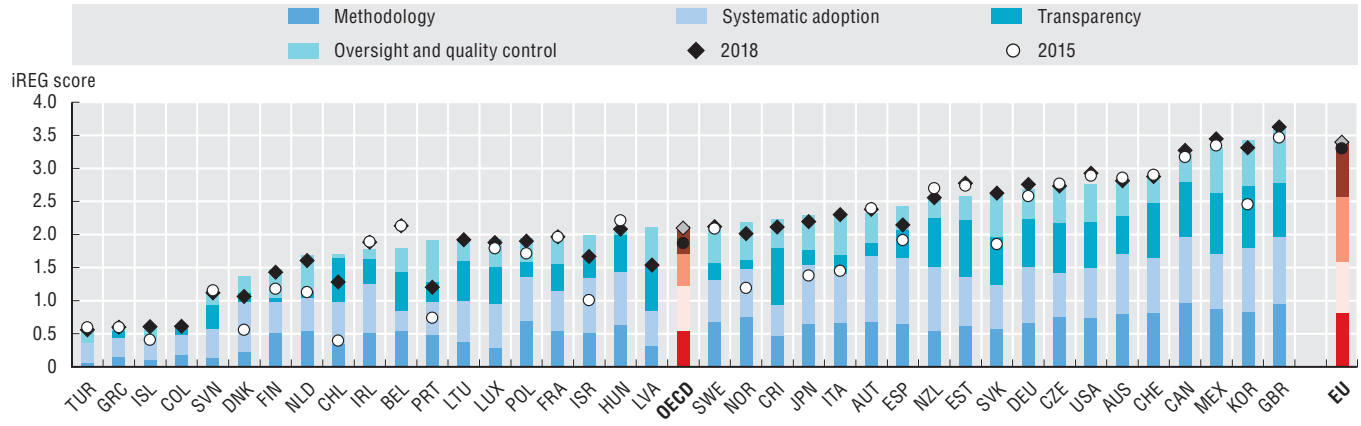
5.3. Regulatory impact assessment for developing primary laws, 2021, and total score in 2015 and 2018



Source: Indicators of Regulatory Policy and Governance Surveys 2014, 2017 and 2021, *oe.cd/ireg*.

StatLink https://stat.link/6vt7gx

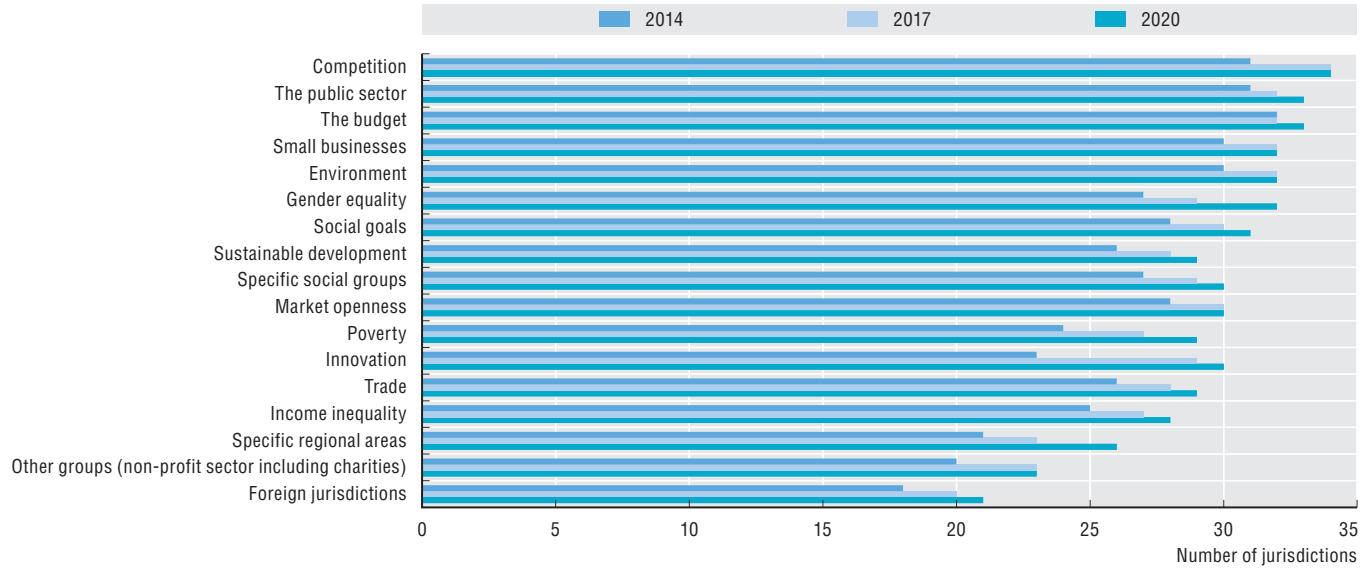
5.4. Regulatory impact assessment for developing subordinate regulations, 2021, and total score in 2015 and 2018



Source: Indicators of Regulatory Policy and Governance Surveys 2014, 2017 and 2021, *oe.cd/ireg*.

StatLink https://stat.link/jh8rw4

5.5. Factors assessed in regulatory impact assessments, number of jurisdictions



Source: Indicators of Regulatory Policy and Governance Surveys 2014, 2017 and 2021, *oe.cd/ireg*.

StatLink https://stat.link/ur3inw.

Ex post evaluation

All regulations are designed to induce behaviour. However, some work as intended, while others may not. Further, some regulations are introduced without the benefit of testing and public review (see section on regulatory impact assessment). Governments have often needed to act quickly, such as during COVID-19, introducing measures with limited information about regulations' potential impacts. Regulations may also have unexpected consequences or fail to rectify underlying problems. Evaluations provide a performance check on regulations. They can help to improve the overall regulatory system by increasing its coherence. They also offer an opportunity for stakeholders to bring forward problems and propose solutions. Evaluations can improve transparency, accountability, and compliance with regulations.

Most OECD countries are unaware of whether regulations are delivering as intended. When undertaking *ex post* evaluations, 21 of 38 OECD countries (55%) do not assess whether regulations achieve their objectives (Figure 5.6). Common practices include sunset clauses (whereby a regulation ceases to exist at a date in the future unless it is reviewed prior to that, and a decision is made to continue it) and one-in-one-out policies (whereby any anticipated costs to business of new regulations need to be offset by reducing existing costs to business). While both tools have their uses, they are more used for limiting increases in the number of regulations, rather than checking whether regulations deliver on policy objectives.

The Indicators of Regulatory Policy and Governance (iREG) survey measure countries' practices for *ex post* evaluation of regulations. There has been limited improvement in *ex post* evaluation of regulations across OECD countries in recent years. 22 of 38 OECD countries (58%) plus the EU improved the quality of *ex post* evaluation systems of primary laws between 2018 and 2021 (Figure 5.7). *Ex post* evaluation systems of subordinate regulations improved in 23 of 38 OECD countries (61%) plus the EU in the same period (Figure 5.8). The largest improvements have been in Transparency of *ex post* evaluations. OECD countries have invested in dedicated websites for the public to make recommendations to modify and provide feedback on existing regulations. In some countries stakeholders are actively engaged when *ex post* evaluations are conducted.

Nonetheless, most OECD countries still have significant scope to improve their *ex post* evaluation systems. Notwithstanding the establishment of more oversight bodies in some OECD countries, the area with the greatest scope for improvement is Oversight and Quality Control (mechanisms to monitor and ensure the quality of *ex post* evaluations). Some OECD countries have undertaken important improvements. Canada, Greece, Italy, Japan, Korea, Latvia, Lithuania, and Mexico have all expanded the scope of regulations subject to periodic review. This potentially allows governments to package regulations together into system-wide reviews and can help establish whether discrete policy areas are working well.

Methodology and definitions

The iREG survey draws on responses from delegates to the OECD Regulatory Policy Committee and central government officials. In 2021, 38 OECD countries, and the EU, responded to the survey. More information on iREG at *oe.cd/ireg*.

iREG is based on the practices described in the *2012 OECD Recommendation on Regulatory Policy and Governance*. The more practices a country has adopted, the higher its score. The composite indicator contains four equally weighted categories: *Methodology* gathers information on different assessments included in the *ex post* evaluations; *Oversight and Quality Control* records mechanisms to monitor and ensure the quality of *ex post* evaluations; *Systematic Adoption* records formal requirements and how often *ex post* evaluations are conducted; *Transparency* records how open *ex post* evaluation processes are. The maximum score for each category is 1. The total score for the composite indicator ranges from 0 to 4.

Primary laws are regulations which must be approved by the legislature. Subordinate regulations can be approved by the head of government, a minister or the cabinet.

Ex post evaluations assess the effectiveness and efficiency of regulations once they are in force. They are undertaken to ascertain the extent to which regulations met their originally intended goals, do not impose unnecessary costs on citizens and/or businesses, and continue to deliver good outcomes for the community.

Further reading

OECD (2021), *OECD Regulatory Policy Outlook 2021*, OECD Publishing, Paris, *https://doi.org/10.1787/38b0fdb1-en*.

OECD (2020), *Reviewing the Stock of Regulation*, OECD Best Practice Principles for Regulatory Policy, OECD Publishing, Paris, *https://doi.org/10.1787/1a8f33bc-en*.

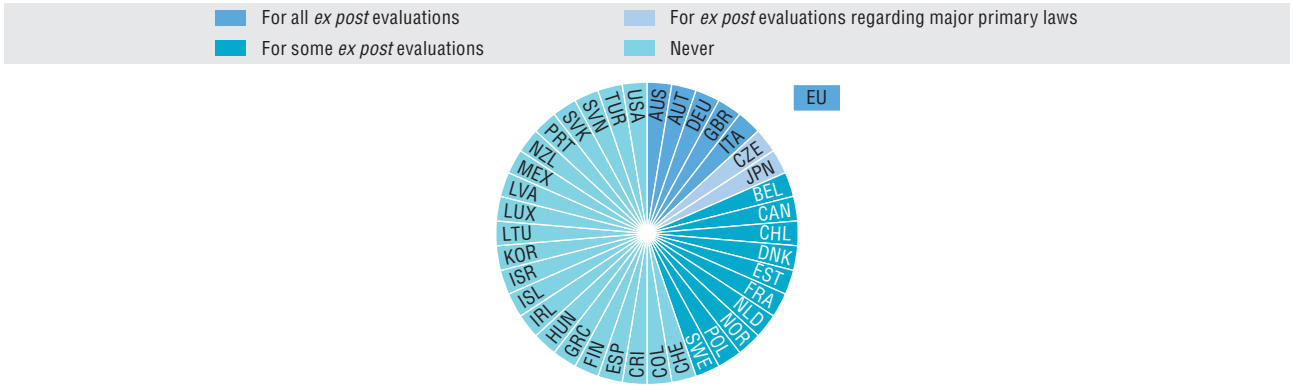
OECD (2014), *OECD Framework for Regulatory Policy Evaluation*, OECD Publishing, Paris, *https://doi.org/10.1787/9789264214453-en*.

Figure notes

5.6. Data for 38 OECD countries and the European Union. Data relates to requirements to include a review of objectives in primary laws.

5.7 and 5.8. 2014 data based on 34 countries that were OECD members in 2014 and the EU. 2017 and 2021 data includes Colombia, Costa Rica, Latvia, Lithuania.

5.6. Requirement to consider regulatory objectives as part of *ex post* evaluations, 2021



Source: Indicators of Regulatory Policy and Governance Survey 2021, *oe.cd/ireg*.

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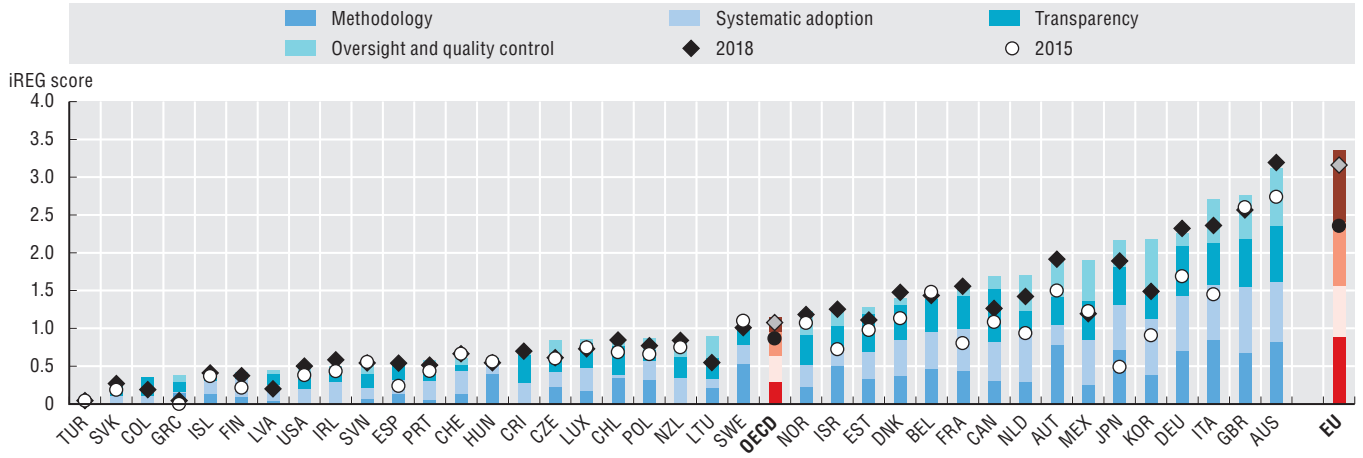
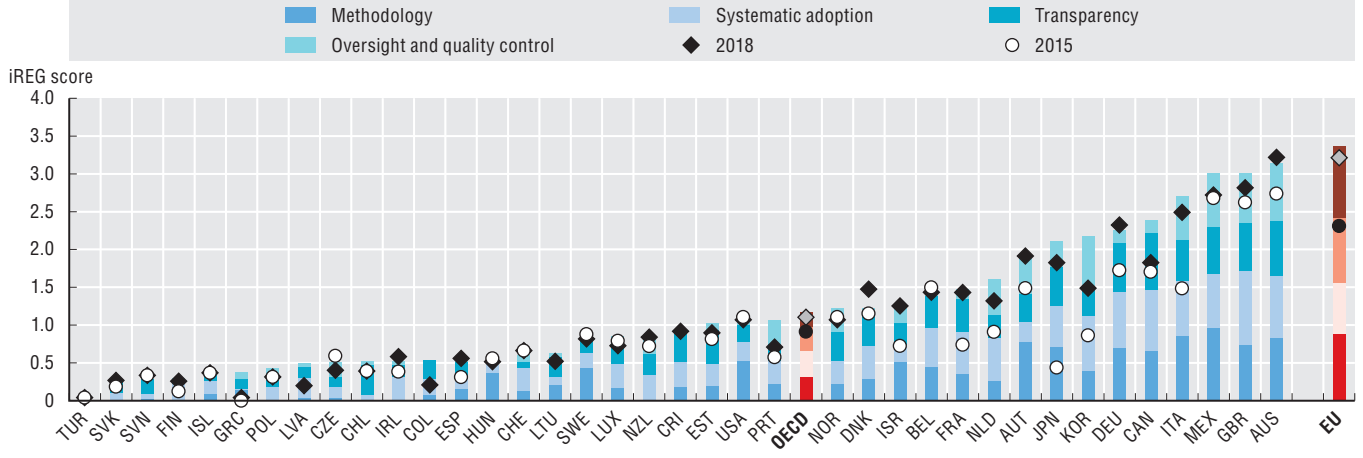
5.7. Quality of *ex post* evaluation systems for primary laws, 2021, and total score in 2015 and 2018



Source: Indicators of Regulatory Policy and Governance Surveys 2014, 2017 and 2021, *oe.cd/ireg*.

StatLink https://stat.link/xar4ko

5.8. Quality of *ex post* evaluation systems for subordinate regulations, 2021, and total score in 2015 and 2018



Source: Indicators of Regulatory Policy and Governance Surveys 2014, 2017 and 2021, *oe.cd/ireg*.

StatLink https://stat.link/gqlzhs

International regulatory co-operation

Policy challenges are increasingly transcending national borders. Examples range from dealing with a global health crisis, climate change and biodiversity to consumer safety or protection of personal data. These challenges cannot be addressed by countries unilaterally. This is why international regulatory co-operation (IRC) has become central to policymaking and regulatory policy, as it enables governments to collaborate on common problems and learn from each other. In June 2021, the OECD adopted a recommendation on how countries can effectively adopt IRC. This recommendation is built around three pillars: 1) taking a whole of government approach to IRC, 2) recognising IRC throughout domestic rulemaking, and 3) co-operating internationally through a variety of mechanisms.

The OECD Indicators of Regulatory Policy and Governance (iREG) measure how governments implement the recommendation in their regulatory governance and processes. This includes what roles and responsibilities on IRC exist across government, how countries engage with foreign stakeholders when developing regulations, whether they consider international instruments when conducting ex post assessment, or whether international impacts are considered during Regulatory Impact Analysis. Ultimately, this gives a snapshot of countries' level of preparedness to address global challenges with regulatory tools.

Only 5 of 38 OECD countries (14%) have adopted IRC as a whole-of-government policy (Figure 5.9). A higher number of countries, 23 of 38 (61%), have partial policies for IRC. These can be very ambitious but focused on certain regions or sectors. This is typically the case for EU Member states that have highly integrated regulatory co-operation mechanisms built into their regulatory processes by virtue of their EU membership obligations. These focus on regional partners, and EU Members is rarely framed as a whole-of-government policy related to IRC. In 9 of 38 countries (24%) there is no policy on international regulatory co-operation. Space exists to promote more and better co-ordination of activities across ministries and across ministries and regulators to build a common understanding of IRC.

Governments carry out oversight for IRC with a variety of approaches, but only 4 of 38 countries (11%) have a dedicated body that ensures line ministries are actively implementing IRC (Figure 5.10). Responsibilities are scattered among relevant ministries in 18 of 38 countries (47%), and in 3 of 38 countries (8%) among sub-national and central government bodies. 14 of 38 countries (37%) have no structure at all. The OECD recommends having a governance structure that is conducive to IRC, including the participation of oversight bodies.

Methodology and definitions

Data on IRC draws upon responses provided by delegates to the OECD Regulatory Policy Committee and central government officials to the 2021 OECD Indicators of Regulatory Policy and Governance Survey for 38 OECD countries and the European Union. Data were collected in January 2021.

International regulatory co-operation refers to 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.

Further reading

OECD (2022), "Recommendation of the Council on International Regulatory Co-operation to Tackle Global Challenges", *OECD Legal Instruments*, OECD, Paris, *https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0475*.

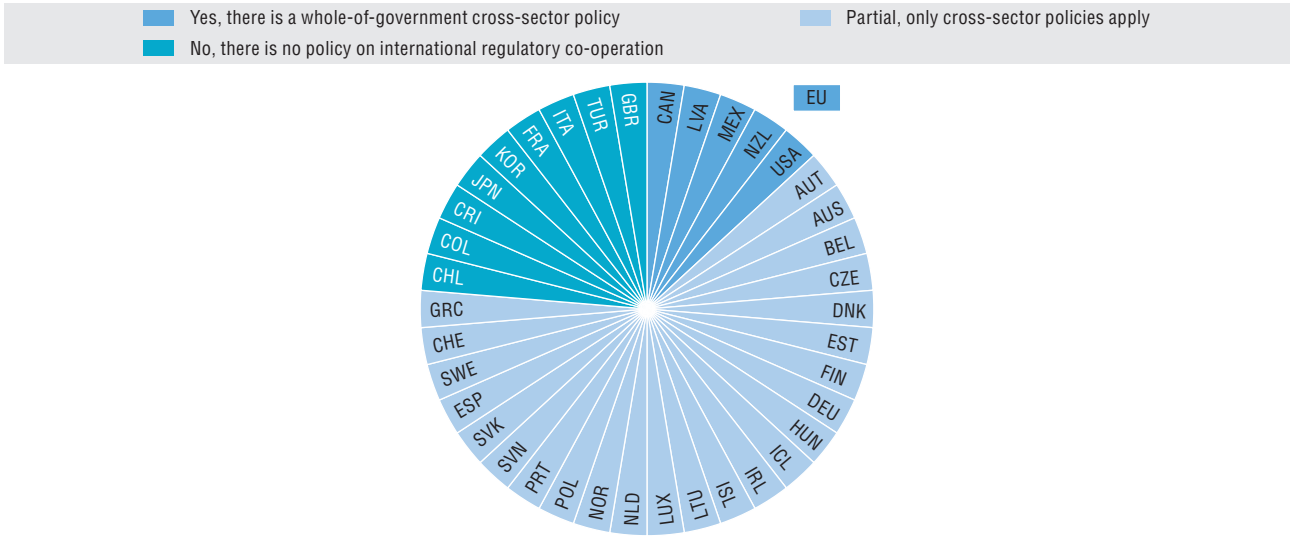
OECD (2021), *International Regulatory Co-operation*, OECD Best Practice Principles for Regulatory Policy, OECD Publishing, Paris, *https://doi.org/10.1787/5b28b589-en*.

OECD (2021), *OECD Regulatory Policy Outlook 2021*, OECD Publishing, Paris, *https://doi.org/10.1787/38b0fdb1-en*.

Figure notes

5.9. Depicts the UK as not having a whole of government approach to IRC. However, since the last measurement in January 2021, the country has established a national policy for it.

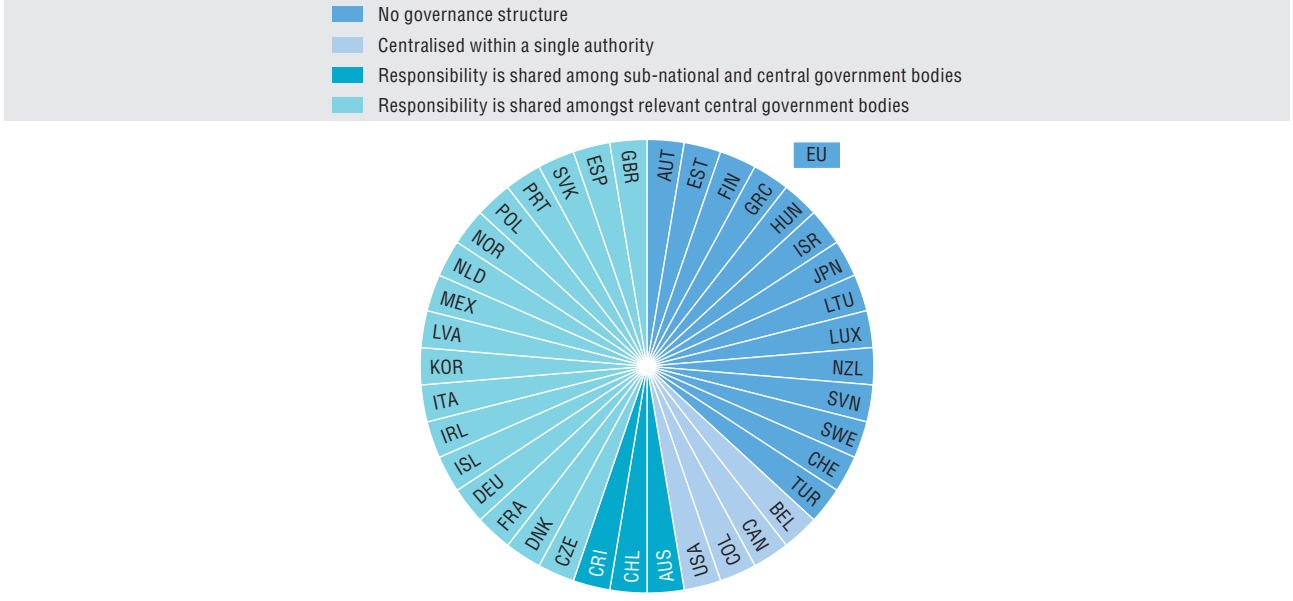
5.9. OECD Members with a whole of government, or a cross-sectoral approach to IRC, 2021



Source: Indicators of Regulatory Policy and Governance (iREG) Survey 2021.

StatLink https://stat.link/8zspwe

5.10. Oversight of IRC activities, 2021



Source: Indicators of Regulatory Policy and Governance (iREG) Survey 2021.

StatLink https://stat.link/w6sgfl

Resourcing of economic regulators

Economic regulators exist to support the efficient delivery of essential services such as energy, e-communications, water and transport to society. Often set up as independent bodies to signal a commitment to long-term policy goals, they occupy a unique position between consumers, operators and government. This is why their governance matters, including their resources. Resourcing arrangements can make or break their effectiveness and are crucial to the overall success of regulatory frameworks to improve sector outcomes.

Appropriate staffing and funding arrangements can empower a regulator to act autonomously and to respond with agility to dynamic markets and new roles. Transparent and accountable mechanisms to fund and staff regulators can bolster their effectiveness and enhance trust in regulatory institutions and systems. Moreover, the capacity and ability of regulators to execute their functions effectively depends on a well-qualified, inclusive workforce and sufficient funding.

A regulator relies on the expertise and skills of its staff to provide evidence-based analyses as a basis for regulatory decisions. This requires regulators to be able to recruit enough staff with the right qualifications, but in practice regulators sometimes face constraints to do so. For example, 6 out of 26 energy regulators in OECD countries (23%) are required to obtain approval from an external body (e.g. a line ministry) prior to the recruitment of staff (Figure 5.11). This figure is 5 out of 16 (31%) for e-communications regulators; 4 out of 17 (24%) for transport regulators; and 2 out of 13 (15%) for water regulators (Figure 5.11). Such a requirement does not necessarily reduce the regulator's capacity and could ensure a match between the regulator's staff count and its financial resources. However, without appropriate safeguards, it could provide an opening for undue influence in the regulator's operations if hiring is restricted below the level of staff that is required.

Economic regulators also rely on adequate funding to carry out their mandates. Budget decisions should be transparent to support accountability and trust. In practice, for 19 out of 25 energy regulators in OECD countries (76%), budget decisions are explained by the body responsible for budget allocation (Table 5.12). The figure is 12 out of 15 (80%) for e-communications regulators; 14 out of 17 (82%) for transport regulators; and 8 out of 12 (67%) for water regulators. In most cases, this explanation is given through a public document, supporting the accountability of the budget appropriation process (Table 5.12).

Methodology and definitions

The 2021 OECD Survey on the Resourcing Arrangements of Economic Regulators by the Network of Economic Regulators (NER) was distributed among NER participants in energy, e-communications, transport and water sectors, to collect in-depth insights into their funding and management of resources. The survey analyses the resourcing arrangements as of 1 January 2021. In general, respondents were high-level officials in regulatory agencies and/or relevant ministries. Survey findings include 52 national and subnational regulators from 27 OECD member countries and 2 non-member countries (Brazil and Romania).

The survey included questions on human resources (staff characteristics; contracts and salaries; recruitment; training and career development; integrity) and financial resources (source of funding; funding procedures; funding through national budget; funding through fees; financial management; audit;). Where the survey analyses staff arrangements, these arrangements concern managerial, technical and support staff, apart from members of the board and/or agency head.

Further reading

OECD (2022), *Equipping Agile and Autonomous Regulators*, The Governance of Regulators, OECD Publishing, Paris, *https://doi.org/10.1787/7dcb34c8-en*.

OECD (2014), *The Governance of Regulators*, OECD Best Practice Principles for Regulatory Policy, OECD Publishing, Paris, *https://doi.org/10.1787/9789264209015-en*.

OECD (n.d.), "The OECD Network of Economic Regulators", OECD, Paris, *www.oecd.org/gov/regulatory-policy/ner.htm*.

Figure notes

Where multiple economic regulators regulate a specific sector in a country, answers are specified for each regulator.

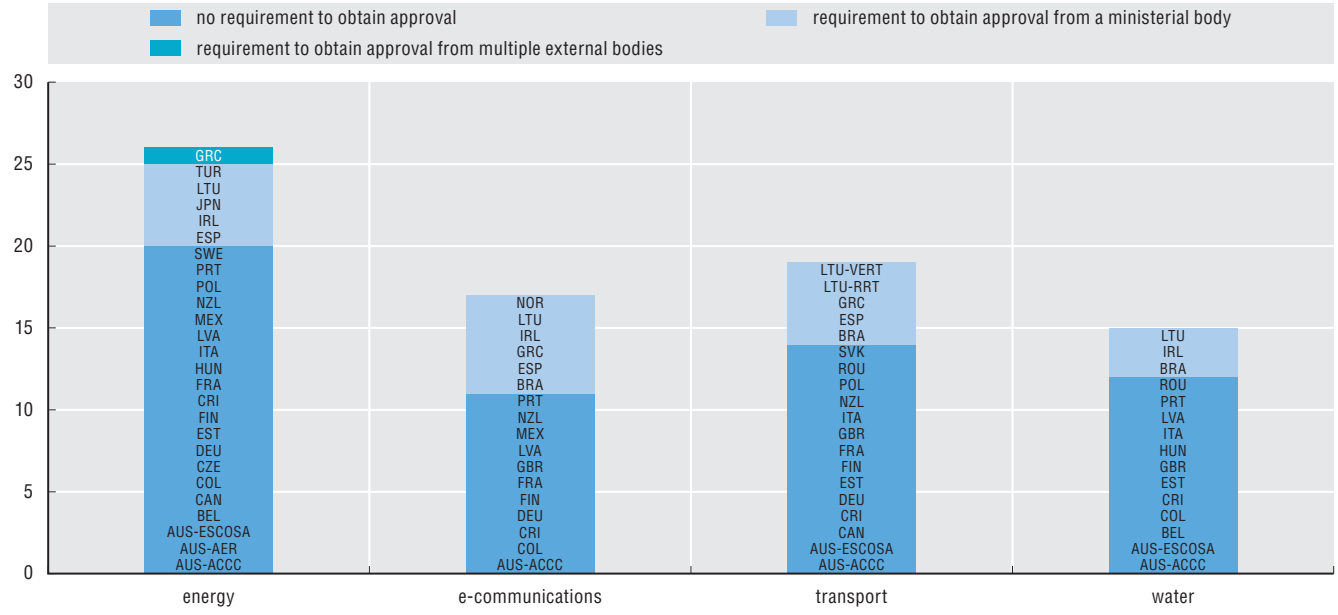
ACCC = Australian Competition and Consumer Commission; AER = Australian Energy Regulator; ESCOSA = Essential Services Commission of South Australia; VERT = Lithuania's National Energy Regulatory Council; RRT = Lithuania's Communications Regulatory Authority.

5.11. Elements that need approval can for example include the total agency headcount or the number of new employees to recruit. In New Zealand, IRC considerations are embedded in core documents, including the Government Expectations for Good Regulatory Practice and the Government's Regulatory Management Strategy.

5.12. Empty cells denote there is no response included in the dataset for the respective country and sector.

Note on Portugal: The framework law for Portugal's independent economic regulators determines that the management of personnel, including the hiring of workers, is not subject to the opinion of members of government. The agencies' annual budgets and multiannual activities plans – which include the agency's staff count – are subject to approval by the members of government in charge of their respective areas, but approval can only be refused under a limited set of circumstances (such as illegality or detriment to the regulator's objectives or public interest).

5.11. Regulators which require approval from an external body to recruit staff, 2021



Source: 2021 OECD Survey on the Resourcing Arrangements of Economic Regulators.

StatLink https://stat.link/3serb6

5.12. Disclosure of regulators' budget decisions by the responsible body, 2021

	Sector overseen by regulator			
	Energy	E-communications	Transport	Water
Australia - ACCC	■	■	■	■
Australia - AER	■			
Australia - ESCOSA	□		□	□
Belgium	■			
Canada	▣		▣	
Colombia	■	□		■
Costa Rica	■	■	■	■
Czech Republic	□			
Estonia	□		□	□
Finland	■	■	■	
France	■	□	■	
Germany	■	■	■	
Greece	□	□	▣	
Hungary	■			■
Ireland	■			■
Italy	□		■	□
Japan	▣			
Latvia	▣	▣		▣
Lithuania - RRT		■	■	
Lithuania - VERT	■		■	■
Mexico		■		
New Zealand	■	■	■	
Norway		■		
Poland	▣		■	
Portugal	□	■		□
Slovak Republic			□	
Spain	■	■	■	
Sweden	■			
Türkiye	■			
United Kingdom		▣	▣	■
OECD Total				
■ Substantiation in a public document	15	10	11	7
▣ Substantiation in a non-public document	4	2	3	1
□ No substantiation of budget decision	6	3	3	4
Brazil		■	■	■
Romania			□	□

Source: 2021 OECD Survey on the Resourcing Arrangements of Economic Regulators.

StatLink https://stat.link/y1n4ct

6. BUDGETING PRACTICES

Green budgeting

Gender budgeting

Independent fiscal institutions

Special feature: Managing health spending during COVID-19

Green budgeting

Green budgeting refers to the use of budgetary policy-making tools to progress climate and environmental objectives. This includes integrating and evaluating the climate and environmental impact of budgetary and fiscal policies and considering the path towards national and international commitments. Green budgeting is defined by four building blocks that are relevant to all stages of the budget cycle: (1) institutional arrangements; (2) methods and tools; (3) accountability and transparency; and (4) enabling environment in budgeting (OECD, 2020). In 2022, two-thirds of OECD countries surveyed had implemented green budgeting mechanisms (24 out of 36), compared to 14 out of 35 countries in 2021 (40%); almost twice as many countries implemented green budgeting in such a short period (Figure 6.1). The eleven OECD countries that introduced green budgeting since 2021 were Chile, Finland, Greece, Israel, Korea, Lithuania, New Zealand, Slovak Republic, Spain, Switzerland and Türkiye.

The 2022 OECD Green Budgeting Index shows the varying degrees to which OECD countries have adopted green budgeting (Figure 6.2). It is designed to reflect the adoption of green budgeting practices, based on the four building blocks of the OECD Green Budgeting Framework, to help policy makers with the design and development of green budgeting.

Regarding the components of the index, *Methods and tools used to implement green budgeting* remain widely adopted (Figure 6.3). The average score of this subcomponent is 0.12 ranging from 0.05 in Colombia and Türkiye to 0.23 in the United Kingdom. Most countries have carbon pricing mechanisms (22 out of 24, 92%), environmental impact assessments (18 out of 24, 75%), and sovereign green bonds (18 out of 24, 75%) as tools to implement green budgeting. Emerging tools include green elements in medium-term budgets (8 out of 24, 33%), green perspectives in spending reviews (6 out of 24, 25%) and setting carbon budgets for specific sectors in an economy (5 out of 24, 21%).

OECD countries have strengthened their *institutional arrangements*. On average this building block in the index amounts to 0.15 but there is wide variation across countries from 0.04 in Israel to 0.21 in Norway and the United Kingdom. Countries with developed practices have passed legislation on green budgeting, as is the case in Norway. Most countries have developed frameworks through administrative practices (see Online Figure G.3.1). The Accountability and transparency arrangements are an emerging practice, and it is the building block with the lowest score. The involvement of civil society, monitoring of green budgeting and the submission of a green budget statement to parliament are not widespread practices; at present only adopted in Ireland and Korea (see Online Figure G.3.2). Green accounting standards and oversight mechanisms are at an early stage of development. The building block on the *Enabling Environment* displays an average score of 0.14 ranging from 0.00 in Switzerland to 0.25 in Greece and the United Kingdom. Countries that fare comparatively well are those that have implemented programme and performance budgeting with relevant links to green initiatives, as is the case in France and Sweden. Many countries have also put in place capacity building initiatives, with 10 out of 24 countries initiating training and skills development for line ministries (42%) in 2022 (see Online Figure G.3.3).

Methodology and definitions

Data are derived from the 2022 OECD Green Budgeting Survey, encompassing responses from 36 OECD countries and referring only to central/federal government practices as of end-June 2022. Respondents were predominantly budget officials within central budget authorities. Responses represent the country's own assessment of current practices and procedures.

The 2022 OECD Green Budgeting Index has four dimensions and is based on the four building blocks of the OECD Green Budgeting Framework, each with an equal weight (0.25). The index ranges from 0 (not implementing) to 1 (high level of green budgeting practices). Country green budgeting practice scores were determined by adding together the weighted scores of each dimension, varying from 0 to 1. The variables and weightings comprising the index were selected by OECD experts based on their relevance to the concept and have been reviewed by county delegates to the OECD Paris Collaborative on Green Budgeting.

Further details on the composite index are available in Annex A.

Further reading

Blazey, A. and M. Lelong (2022), "Green budgeting: A way forward", *OECD Journal on Budgeting*, Vol. 22/2, *https://doi.org/10.1787/dc7ac5a7-en*.

OECD (2020), *OECD Green Budgeting Framework*, OECD, Paris, *https://www.oecd.org/environment/green-budgeting/OECD-Green-Budgeting-Framework-Highlights.pdf*.

OECD (forthcoming), *Green budgeting in OECD countries – 2022 OECD Green Budgeting Survey Results*.

Figure notes

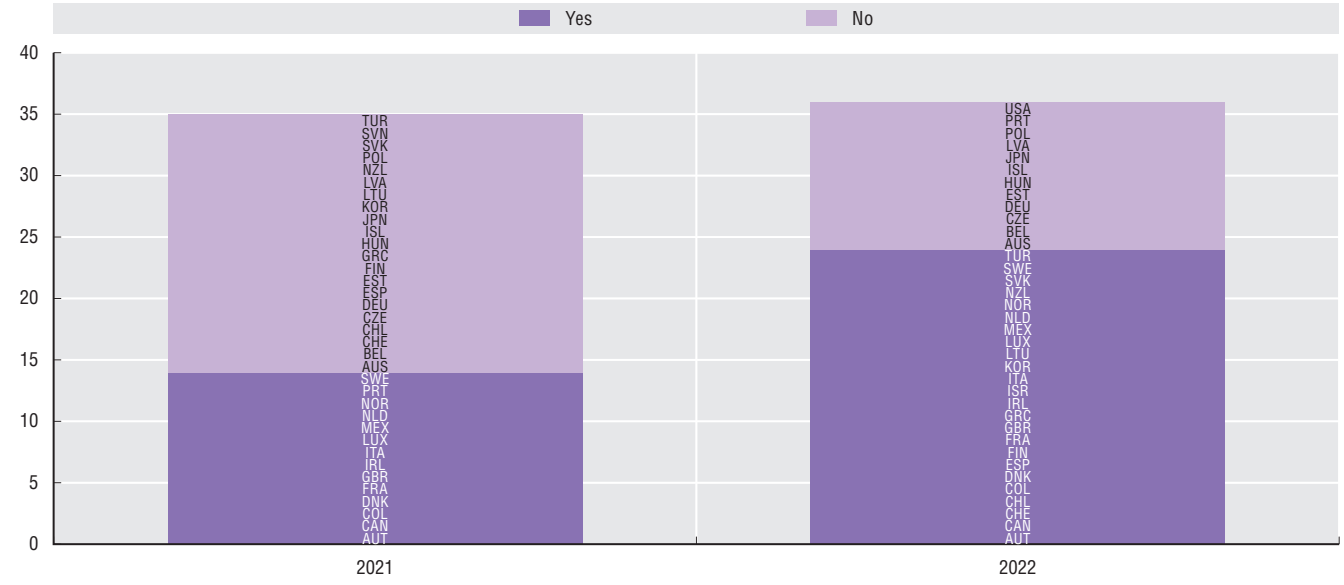
For 2022, data for Costa Rica and Slovenia are not available.

6.1. For 2022, Hungary, Latvia and Portugal are not practicing green budgeting but have plans to introduce green budgeting in the future. For 2021, data for Costa Rica, Israel and the United States are not available.

6.2. Updated from the 2021 OECD Green Budgeting Index reflecting changing practices.

G.3.1 (Legal basis for green budgeting, 2021 and 2022), G.3.2 (Accountability and transparency arrangements for green budgeting, 2022) and G.3.3 (Enabling environment for Green Budgeting, 2022) are available online in Annex G.

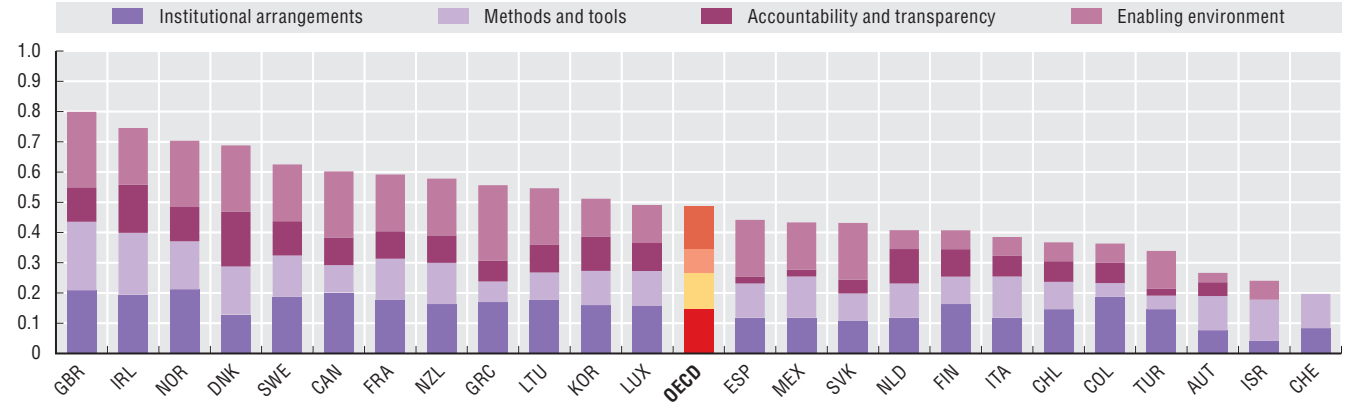
6.1. Existence of green budgeting, in 2021 and 2022



Source: OECD (2022), OECD Survey on Green Budgeting; and OECD (2021), OECD Annual Update on Green Budgeting.

StatLink https://stat.link/ujscqo

6.2. OECD Green Budgeting Index, 2022



Source: OECD (2022), OECD Survey on Green Budgeting.

StatLink https://stat.link/1ak59q

6.3. Green budgeting methods and tools, 2022

Country	Carbon pricing instruments	Environmental impact assessments	Sovereign green bonds	Green budget tagging	Review of harmful tax expenditures	Environmental cost benefit analysis	Green in multi-annual budgets	Green perspective in spending review	Carbon budget
Austria	●	●	●					●	
Canada	●	●	●		●				
Chile	●		●	●		●			
Colombia			●						
Denmark	●	●	●			●			
Finland	●	●		●	●				
France	●	●	●	●	●	●			●
Greece	●			●				●	
Ireland	●	●	●	●	●	●	●	●	●
Israel	●	●	●		●	●			
Italy	●	●	●	●	●		●		
Korea	●	●	●	●				●	
Lithuania	●	●	●			●			
Luxembourg	●	●	●	●			●		
Mexico	●	●	●	●	●				
Netherlands	●	●	●		●	●			
New Zealand	●	●				●	●		●
Norway	●	●		●	●	●		●	●
Slovak Republic	●				●		●		
Spain	●	●	●	●					
Sweden	●	●	●	●	●				
Switzerland	●		●				●		
Türkiye						●	●		
United Kingdom	●	●	●	●	●	●	●	●	●
OECD Total									
● Yes	22	18	18	13	12	11	8	6	5

Source: OECD (2022), OECD Survey on Green Budgeting.

StatLink https://stat.link/09jeqr

Gender budgeting

Overcoming gender inequalities offers significant benefits for society and the economy. Closing gender employment gaps can strengthen economic growth and recovery. Effective implementation of gender budgeting can ensure budget policy advances gender equality objectives, such as increased workforce participation, GDP gains and improvements to fiscal sustainability (Nicol, 2022). Results from the *2022 OECD Survey on Gender Budgeting* show a steady increase in the practice of gender budgeting, with 23 OECD countries having introduced measures (61%), compared to 17 in 2018 (50%) and 12 in 2016 (35%) (Figure 6.4).

The OECD's Gender Budgeting Index assesses the implementation of gender budgeting across member countries. In 2022 the Index was designed around the five building blocks of the 2023 OECD Framework for Gender Budgeting: (1) institutional and strategic arrangements; (2) enabling environment; (3) methods and tools; (4) accountability and transparency; and (5) impact (Gatt Rapa and Nicol, 2023b and 2023c forthcoming).

Figure 6.5 presents the 2022 OECD Gender Budgeting Index. Seven countries achieved an advanced score (0.6 or above). Canada, which has legislated for gender and diversity in budgeting since 2018, obtained the highest score overall. Austria, Iceland, Korea, Mexico, Spain and Sweden also achieved advanced scores. Although approaches to gender budgeting in each of these countries vary, each country receiving an advanced score has a comprehensive approach that displays a range of measures across the building blocks.

The institutional and strategic arrangements building block achieved the highest score amounting to 0.13 on average. Countries achieving the highest score (0.20) in this component of the index are those that have a well-defined legal basis (law or constitution), set clear gender equality goals in their policies, and where the central budget authority is leading gender budget implementation, for example in Colombia, Iceland and Korea (see Online Figure G.3.4).

The two newly added building blocks, accountability and transparency, and impact, achieved the lowest comparative index scores reflecting room for further advancements in scrutiny mechanisms and the effective use of evidence gathered through gender budgeting. With an average score of 0.09 for the accountability and transparency building block, countries faring better in this component are those that include gender information in budget documentation, and that have oversight processes including regular reporting to parliament and parliamentary committee hearings on gender budgeting. This is for example the case in Austria, resulting in the highest score of 0.18 (Figure 6.6). The score of the building block on impact is also comparatively low amounting to 0.07 on average. Elements tilting towards a higher score were the consistent use of gender budgeting insights in budget decisions as well as achieving a gender perspective in policy development and resource allocation, such as in Canada with the highest score of 0.2 (see Online Figure G.3.5).

Methodology and definitions

Data are derived from the *2022 OECD Survey on Gender Budgeting*, encompassing responses from all 38 OECD countries and referring only to central/federal government practices as of 1 March 2022. Respondents were predominantly senior budget officials within central budget authorities. Responses represent the country's own assessment of current practices and procedures.

Each of the 2022 OECD Gender Budgeting Index's five building blocks carry an equal weight (0.20%). The Index ranges from 0 to 1, with countries having an advanced gender budgeting practice with a score of 0.6 and above, an intermediate practice with a score between 0.3 and 0.6, and an introductory practice with a score of 0.3 and below. Country gender budgeting practice scores were determined by adding together the weighted scores of each building block, individually varying from 0 to 1. The variables and weightings comprising the index were selected by OECD experts based on their relevance to the building block and have been reviewed by county delegates to the Senior Budgeting Officials Network on Gender Budgeting. Further details on the Index are available in Annex A.

Further reading

OECD (2023), "OECD Best Practices for Gender Budgeting", *OECD Journal on Budgeting*, Vol. 23/1, *https://doi.org/10.1787/9574ed6f-en*.

Gatt Rapa, K. and S. Nicol (2023b, forthcoming), "Gender Budgeting in OECD Countries 2023", OECD Publishing, Paris.

Gatt Rapa, K. and S. Nicol, (2023c, forthcoming), "OECD Framework for Gender Budgeting", OECD Publishing, Paris.

Nicol, S. (2022), "Gender budgeting: The economic and fiscal rationale", *OECD Journal on Budgeting*, Vol. 22/3, *https://doi.org/10.1787/9ca9b221-en*.

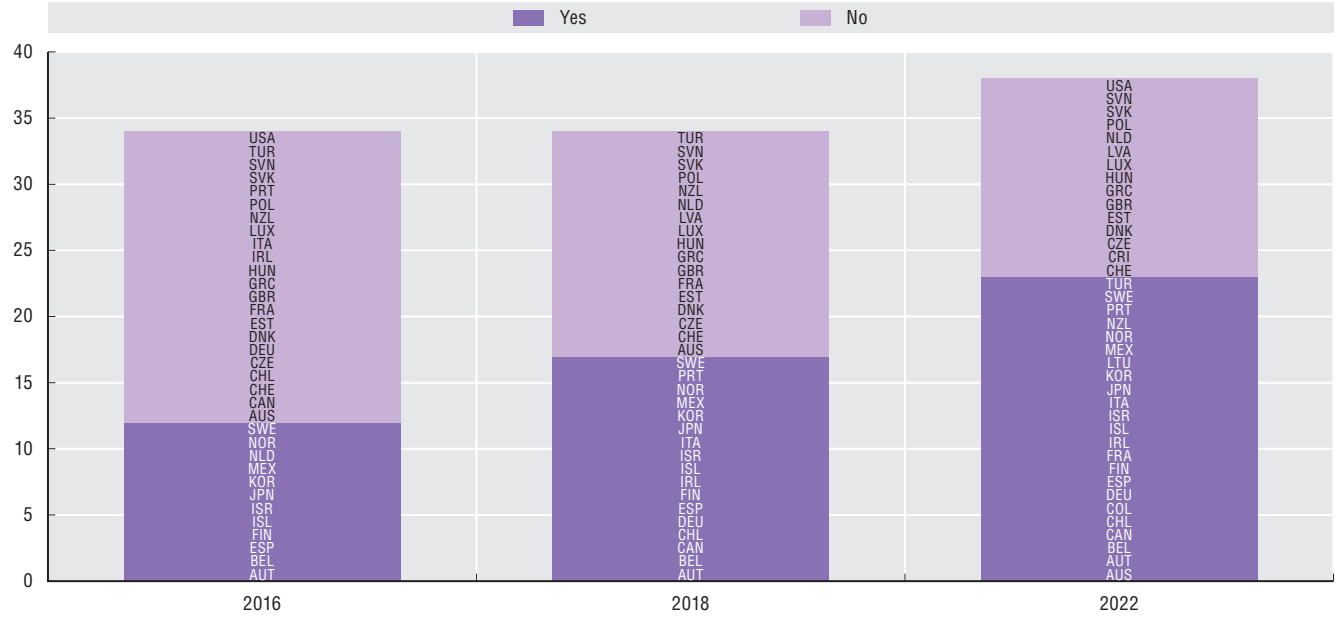
Figure notes

6.4. Countries that introduced gender budgeting since 2018: Australia, Colombia, France, Lithuania, New Zealand and Türkiye. New Zealand introduced gender budgeting on a pilot basis. Luxembourg, Latvia and Slovenia are actively considering implementation of gender budgeting. For 2018, no data is available for Colombia, Costa Rica, Lithuania and the United States. For 2016, no data is available for Colombia, Costa Rica, Lithuania and Latvia.

6.5. Updated from the 2018 OECD First Pass at an Index on Gender Budgeting reflecting changing practices.

G.3.4 (OECD Gender Budgeting Index: building block on institutional and strategic arrangements, 2022) and G.3.5 (OECD Gender Budgeting Index: building block on impact, 2022) are available online in Annex G.

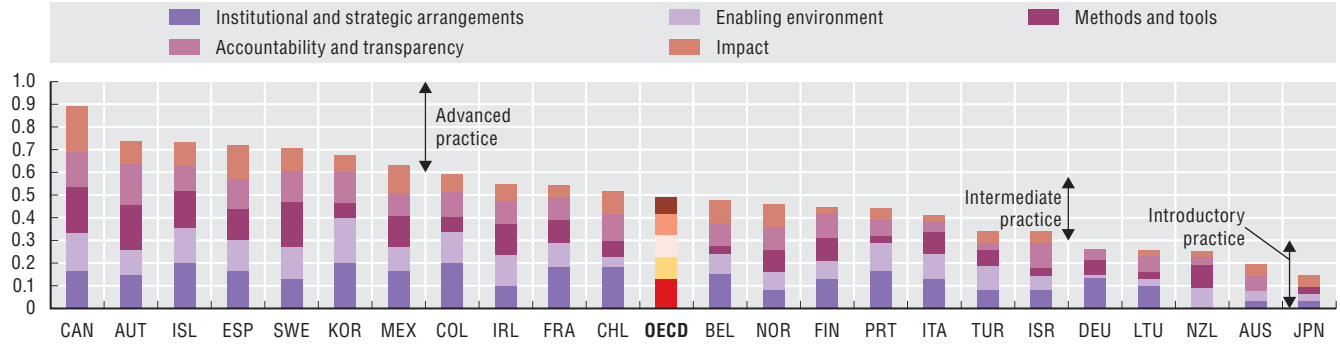
6.4. Existence of gender budgeting, 2016, 2018, 2022



Source: OECD (2022), OECD Survey on Gender Budgeting; OECD (2018), OECD Budget Practices and Procedures Survey; and OECD (2016), OECD Survey of Gender Budgeting.

StatLink https://stat.link/zy1w3u

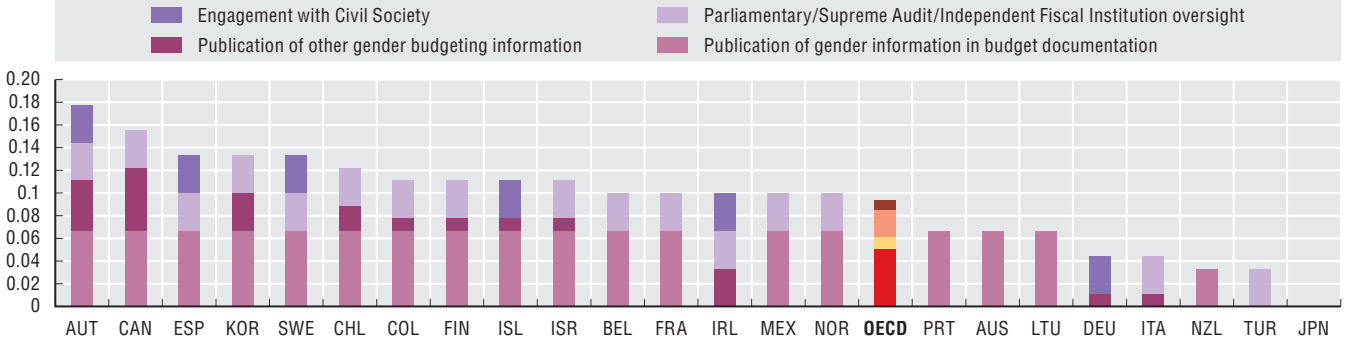
6.5. OECD Gender Budgeting Index, 2022



Source: OECD (2022), OECD Survey on Gender Budgeting.

StatLink https://stat.link/e0ydl6

6.6. OECD Gender Budgeting Index: Building block on accountability and transparency, 2022



Source: OECD (2022), OECD Survey on Gender Budgeting.

StatLink https://stat.link/1yl8ct

Independent fiscal institutions

Independent fiscal institutions (IFIs) are independent public institutions with a mandate to critically assess, and in some cases provide non-partisan advice on, fiscal policy and performance. IFIs aim to promote sound fiscal policy and sustainable public finances through supporting greater transparency and accountability. There has been a surge in the number of IFIs since the global financial crisis, with 35 national institutions now in place in 29 OECD countries (six countries have more than one national IFI) (Figure 6.7). Where IFIs are functioning well, their existence can support democratic debate in parliament, and help foster trust in fiscal policy decisions.

The OECD Principles for Independent Fiscal Institutions call on IFIs to develop effective communication channels from the outset as these are key to achieving impact (OECD, 2014). Given that the influence of IFIs in fiscal policy making is persuasive (rather than coercive by means of legal sanctions or other punitive measures), media coverage of their work assists in fostering informed constituencies that may then encourage the government to behave transparently and responsibly in fiscal matters. The credibility of the independence of the IFI is an important pre-condition for its views to be influential in the public debate. In addition, it is important that IFIs have a steady media presence and ensure key messages are focused and provided when they matter most during the budget process.

The 2021 OECD IFI Communications Index provides a measure of communications practices across OECD IFIs at the national level. The index considers institutional arrangements in relation to three different aspects of communications - disseminating research, promoting research, and tracking influence (Figure 6.8). The results show that national IFIs across the OECD tend to actively disseminate research, scoring an average of 0.34 out of a possible 0.52. Similarly, most IFIs work to promote their research, scoring an average of 0.21 out of a possible 0.32. However, IFIs' capacity for tracking influence (e.g. through tracking media and parliamentary mentions or undertaking stakeholder surveys) is relatively less developed. The average score across IFIs in the OECD for tracking influence is 0.09 out of a possible 0.16. In general, those institutions at the top of the index, including the Netherlands Central Planning Bureau, the United States Congressional Budget Office and Canadian Parliamentary Budget Office, often enjoy greater independence, with a wider scope of responsibilities and a larger staff. Several IFIs – particularly those with limited staff resources - still have relatively limited communications practices.

Recognising that good communications underpin impact, IFIs are investing in their communications efforts and developing tools and processes to strengthen their overall approach. For example, 60% of OECD IFIs at the national level (21 institutions out of 35) have a communications policy which sets out – among other things - how it will deal with media requests and interact with social media. Furthermore, almost half (16 institutions, 46%) have a communications strategy which identifies how the IFI will increase its impact and reach. It is now commonplace for IFI reports to be accompanied by press releases (29 institutions, 83%) and press conferences (20 institutions, 57%) (Figure 6.9). These can help ensure greater public awareness of the IFIs key messages, strengthening their potential impact.

Methodology and definitions

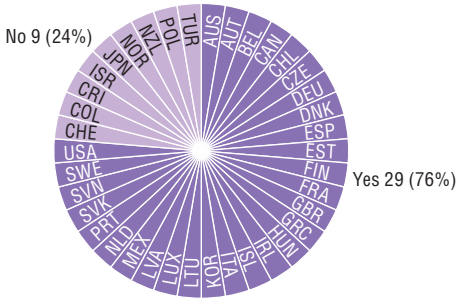
Data are derived from the *2021 OECD Independent Fiscal Institutions Database* and refer to only national institutions in OECD member countries. The data were collected by desk research and then verified by senior officials in the OECD's Working Party of Parliamentary Budget Officials and Independent Fiscal Institutions. The dataset includes 35 national-level institutions in 29 OECD countries. Six countries have two independent fiscal institutions (Austria, Belgium, Finland, Greece, Ireland and Portugal). The full dataset also includes sub-national IFIs, not covered by this analysis.

The scope of the Database was broadened in 2021, providing a richer coverage of IFI functions, communications, and transparency. New data relating to communications informed the development of the 2021 OECD IFI Communications Index. The index considers institutional arrangements in relation to three different aspects of communications and weightings, with an emphasis on (1) disseminating research (52%); followed by promoting research (32%) and tracking influence (16%). Institutional scores were determined by adding together the weighted scores of each pillar. The variables and weightings comprising the index were selected by OECD experts based on their relevance to the concept and have been reviewed by country delegates to the Working Party of Parliamentary Budget Officials and Independent Fiscal Institutions. Further details on the composite index are available in Annex A.

Further reading

OECD (2014), "Recommendation of the Council on Principles for Independent Fiscal Institutions", *OECD Legal Instruments*, OECD/LEGAL/0401, OECD, Paris, *https://www.oecd.org/gov/budgeting/OECD-Recommendation-on-Principles-for-Independent-Fiscal-Institutions.pdf*.

6.7. Existence of Independent Fiscal Institutions in OECD countries, 2021



Source: OECD Independent Fiscal Institutions Database (2021).

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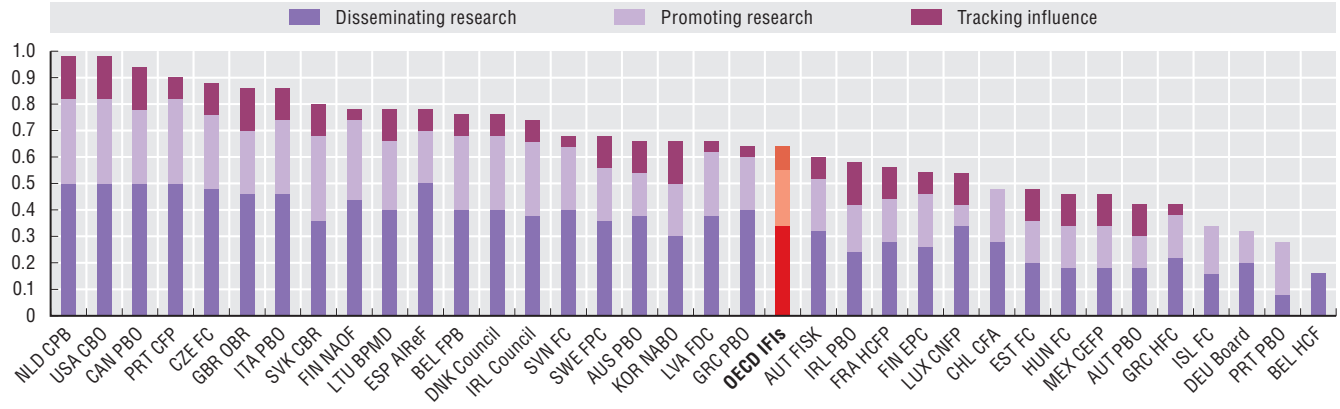
6.8. OECD IFI Communications Index, 2021



Source: OECD Independent Fiscal Institutions Database (2021).

StatLink https://stat.link/nymiz7

6.9. Disseminating research: IFI communication tools and practices, 2021

Source: OECD Independent Fiscal Institutions Database (2021).

StatLink https://stat.link/wod67i

Special feature: Managing health spending during COVID-19

Given the fiscal sustainability challenge faced by health systems, an effective dialogue across government agencies responsible for the health budget is crucial. One important aspect is medium-term financial planning for health, which involves taking a strategic, multi-annual approach to budgeting, looking beyond the one-year annual budget. This includes defining priorities and allocating resources for health over a multi-annual period so that spending decisions are driven by the evolution of health needs. Successful medium-term financial planning for health offers substantial benefits for the health sector, including improving the predictability in future resource envelopes that allows health agencies to effectively plan. However, the challenge is to design a medium-term framework that allows health agencies to plan based on a reasonable assumption of available financial resources, while preserving the government's flexibility to adjust to policy changes.

Medium-term financial planning for the health sector can be addressed through various tools, with the preparation of medium-term projections (2-5 years) being a prerequisite for developing a forward-looking perspective for the health system beyond the budget year. Official medium-term projections are prepared by public bodies, or by independent bodies on request from government. Most surveyed OECD countries fulfil this prerequisite and estimate the health budget for future years (22 out of 24 country responses, 92%) (Figure 6.10). The results of medium-term financial planning for the health system should inform the annual budget process resulting in a better match of resources to health sector priorities. As a starting point, health spending projections can be integrated into government budget documents. This informs parliament and other stakeholders of the emerging spending requirements for the health sector. Half of surveyed OECD countries include such projections of the health budget for future years within government budget documents (11 out of 22, 50%) (Figure 6.11). For countries with a compulsory health insurance scheme – such as Belgium and France – projections are integrated into separate budget documents for social insurance institutions.

Through the annual budget process, medium-term projections for the health sector can be translated into multiyear budget allocations. The purpose for medium-term financial planning for health however varies among OECD countries, with just under half of surveyed OECD countries using medium-term financial planning for health as the basis for budget allocations (10 out of 21, 48%). In four countries (Finland, Iceland, Italy, and Latvia), medium-term financial planning for health is used as the basis for binding budget allocations. Further, binding ceilings on health spending beyond the current fiscal year are set in Greece, Israel, and the Netherlands, with a guaranteed minimum floor on health spending set in Chile, Costa Rica and the United Kingdom. For the remaining countries, medium-term financial planning for health is limited to being used only for informational purposes in just over half (11 out of 21, 52%) of those surveyed countries that produce medium-term expenditure estimates (Figure 6.12). Here, medium-term expenditure projections are intended to highlight the future costs of current policies but do not bind future decisions of policies.

Methodology and definitions

Data are derived from the 2021 OECD Survey on macro-level management of health expenditure, with a special focus on multi-annual financial planning for health. Data is referring mainly to central/federal government and respondents were predominantly officials within central budget authorities, the Ministry of Health and the agency responsible for compulsory health insurance, if applicable. Responses represent the country's own assessment of current practices and procedures.

The survey data encompasses responses from 24 OECD countries, comprising 11 countries where the majority of health spending is through government schemes at the central or subnational level (Australia, Finland, Greece, Iceland, Italy, Latvia, Mexico, New Zealand, Norway, Sweden and the United Kingdom), and 13 countries where compulsory health insurance scheme(s) make up the majority of health spending (Austria, Belgium, Chile, Colombia, Costa Rica, Czech Republic, Estonia, France, Israel, Japan, Korea, Luxembourg, and the Netherlands). Compulsory health insurance can be social health insurance or compulsory private health insurance schemes.

Further reading

OECD (2019), *OECD Journal on Budgeting, Volume 2019 Issue 3: Special Issue on Health*, OECD Publishing, Paris, *https://doi.org/10.1787/045f5902-en*.

OECD (2015), *Fiscal Sustainability of Health Systems: Bridging Health and Finance Perspectives*, OECD Publishing, Paris, *https://doi.org/10.1787/9789264233386-en*.

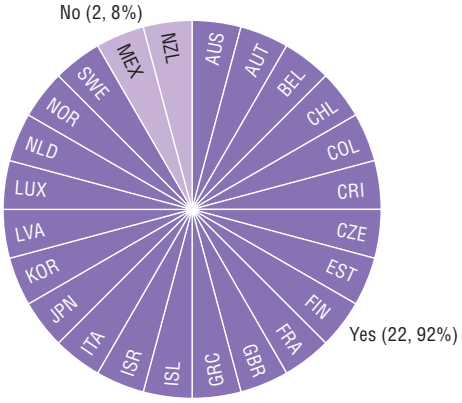
Figure notes

Data for Canada, Denmark, Germany, Hungary, Ireland, Lithuania, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Switzerland, Türkiye and the United States are not available.

6.11. Data for Colombia and Costa Rica are not available. Projections for Belgium and France are integrated into separate budget documents for social insurance institutions.

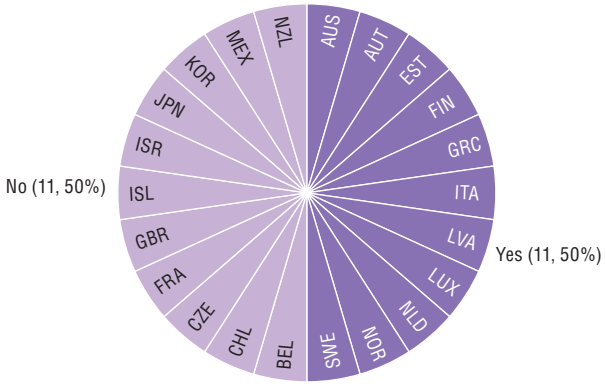
6.12. Data only cover countries who produce estimates of future health expenditure.

6.10. Preparation of official medium-term projections (2-5 years) for health expenditure, 2021



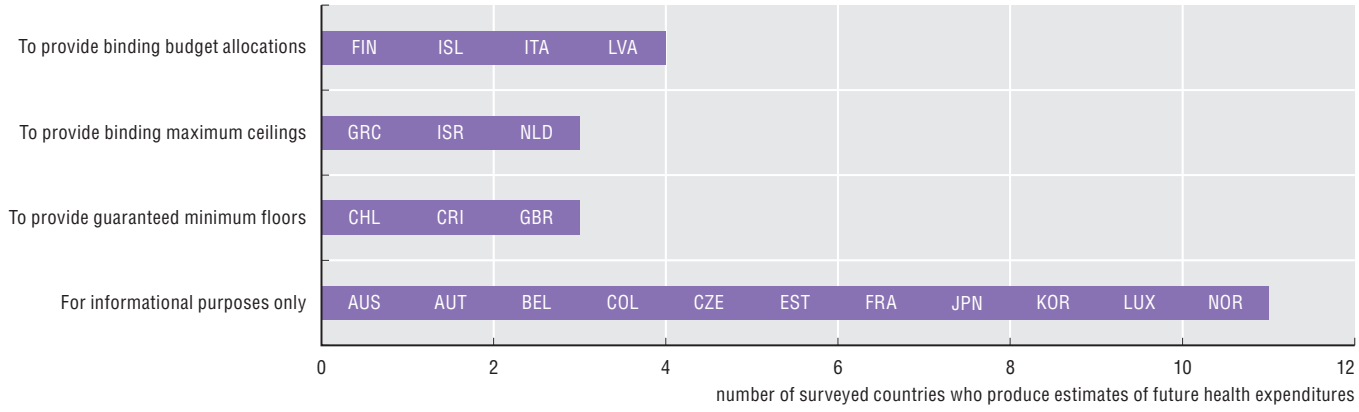
Source: OECD (2021), Survey on macro-level management of health expenditure, with a special focus on multi-annual financial planning for health.
StatLink https://stat.link/drn1wf

6.11. Inclusion of health spending projections within budget documents, 2021



Source: OECD (2021), Survey on macro-level management of health expenditure, with a special focus on multi-annual financial planning for health.
StatLink https://stat.link/sbr87l

6.12. Purpose of medium-term financial planning for health expenditure, 2021



Source: OECD (2021), Survey on macro-level management of health expenditure, with a special focus on multi-annual financial planning for health.
StatLink https://stat.link/j5b9ud

7. MANAGING PUBLIC PROCUREMENT

Size of public procurement

Green public procurement strategies

Assessing green public procurement

Size of public procurement

Governments procure large amounts of goods and services to help them implement policies and deliver public services. As the COVID-19 crisis demonstrated, public procurement strategies, practices and systems directly affect the quality of life and wellbeing of citizens. It is important that countries aim for maximum efficiency, effectiveness and value for money in public procurement.

Public procurement expenditure as a share of GDP increased significantly across the OECD over the last decade, from 11.8% of GDP in 2007 to 12.9% of GDP in 2021. Recent years have seen further increases in the share of public procurement relative to GDP. Across OECD-EU countries, public procurement increased from 13.7% of GDP in 2019 to 14.8% in 2021. This increase is mainly due to the Recovery and Resilience Facility (RRF), the centrepiece of Europe's recovery plan, boosting public investment. Public procurement expenditures as a share of GDP also increased in Japan (from 16.6% to 18.1%) and the United Kingdom (13.1% to 15.7%) (Figure 7.1).

On the other hand, public procurement relative to total government expenditures fell by 1.9 percentage points across OECD countries between 2019 and 2021. This could be explained by the overall increase on spending due to the economic support measures introduced during the COVID-19 pandemic. Recovery and resilience plans could further consolidate this trend since they comprise a mix of tax incentives, grants and loans guarantees in addition to public investments channelled through public procurement. The US government has committed to USD 479 billion in new climate and energy spending through the Inflation Reduction Act (IRA) and the Infrastructure Investment and Jobs Act, which was adopted in late 2021. Although the implementation of recovery and resilience plans takes place at different levels of government, it has not affected the distribution of public procurement expenditure between the different levels of government. The distribution between central and sub-national governments' overall public procurement spending remains broadly unchanged with 61.2% of OECD countries' procurement spending at the sub-national level in 2021 (Online Figure G.4.2).

Public procurement is used across all spending functions, from health to environmental protection, public order and economic affairs (comprising infrastructure, transport, communication, energy and R&D). As in previous years, health accounted for the largest share of public procurement spending, at 31.9% on average across OECD countries in 2021, up from 29.3% in 2019. This was followed by economic affairs (16.4%), education (10.7%), defence (9.9%) and social protection (9.8%) with relatively small variations across countries. Health is the only category where spending increased, due to intensive procurement of health products in the COVID-19 pandemic (Online Table G.4.1). Belgium, Japan and Italy spent more than 43% of public procurement expenditure in the health sector. Exceptions include Hungary and the United States, where economic affairs represented the largest share of government spending, and Switzerland, where general public services and social protection have the largest share (Table 7.2).

Methodology and definitions

The size of general government procurement spending is estimated using data from the *OECD National Accounts Statistics* (database), based on the *System of National Accounts* (SNA). General government procurement is defined as the sum of intermediate consumption (goods and services purchased by governments for their own use, such as accounting or information technology services), gross fixed capital formation (acquisition of capital excluding sales of fixed assets, such as building new roads) and social transfers in kind via market producers (purchases by general government of goods and services produced by market producers and supplied to households). Public corporations were excluded in the estimation of procurement spending. Data on general government procurement spending are disaggregated according to the Classification of the Functions of Government (COFOG) in Table 7.2. Further information about the type of expenditures included in each category is available in Annex E.

Further reading

OECD (2019), *Productivity in Public Procurement*, OECD, Paris, *http://www.oecd.org/gov/public-procurement/publications/productivity-public-procurement.pdf* (accessed on 18 May 2021).

OECD (2015), "Recommendation of the Council on Public Procurement", *OECD Legal Instruments*, OECD, Paris, *www.oecd.org/gov/ethics/OECD-Recommendation-on-Public-Procurement.pdf*.

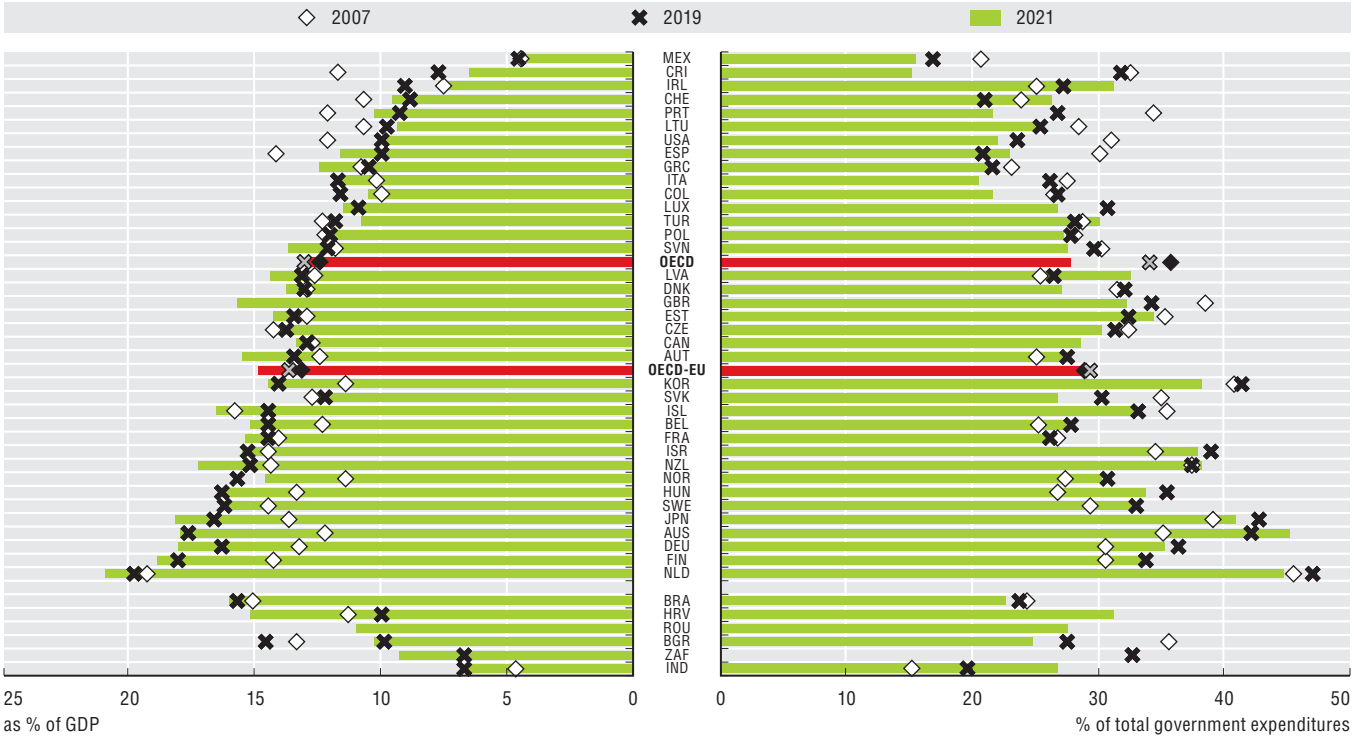
Figure notes

7.1. Data for Chile are not available. Data for Türkiye are not included in the OECD average. A large share of general government procurement in the Netherlands is spent on social transfers in kind via market producers, scholastic grants and mandatory health insurance systems. Data for Türkiye, Brazil and Indonesia are for 2020 rather than 2021

7.2. Data for Australia, Canada, Chile, Colombia, Mexico, New Zealand and Türkiye are not available. Data for Costa Rica are not included in the OECD average. Data for Costa Rica and Korea are for 2020 rather than 2021.

G.4.1 (Change in the structure of general government procurement spending by function, 2019 to 2021) and G.4.2 (General government procurement spending by level of government, 2019 and 2021) are available online in Annex G.

7.1. General government procurement spending as a percentage of GDP and total government expenditures, 2007, 2019 and 2021



Source: OECD National Accounts Statistics (database).

StatLink https://stat.link/gq15r6

7.2. General government procurement spending by function as percentage of total procurement spending, 2021

Country	General public services	Defence	Public order and safety	Economic affairs	Environmental protection	Housing and community amenities	Health	Recreation, culture and religion	Education	Social protection
Austria	11.5	1.3	2.6	20.7	1.2	0.6	40.7	3.4	8.1	10.0
Belgium	11.8	2.1	2.1	12.8	2.9	1.1	47.6	2.6	6.5	10.5
Costa Rica	4.6	0.0	7.6	12.2	3.9	3.6	39.5	1.2	17.0	10.4
Czech Republic	7.9	3.1	4.1	22.3	5.1	3.0	36.7	4.6	9.0	4.1
Denmark	14.4	5.1	2.7	9.0	1.2	0.6	36.5	4.7	10.9	14.8
Estonia	8.8	9.7	4.2	18.9	3.0	2.6	27.5	6.3	14.3	4.7
Finland	22.2	3.8	2.0	12.2	0.6	1.4	24.7	3.6	11.3	18.2
France	7.2	5.9	2.6	12.5	4.1	3.4	41.9	4.1	5.9	12.3
Germany	11.2	3.9	3.1	9.1	1.9	1.0	42.9	3.2	6.5	17.1
Greece	15.1	8.7	1.6	15.1	4.4	1.7	38.4	3.3	7.1	4.6
Hungary	15.0	4.2	2.8	29.7	3.5	2.3	20.5	8.2	10.5	3.4
Iceland	10.0	0.5	4.0	18.8	2.6	2.2	27.0	9.0	18.0	7.8
Ireland	4.6	0.8	4.0	13.4	2.3	5.1	39.1	3.5	8.5	18.6
Israel	5.8	18.4	2.9	11.1	2.6	2.0	28.3	4.2	13.7	11.0
Italy	12.4	4.2	3.5	13.4	6.8	2.6	43.7	3.9	4.3	5.2
Japan	6.3	3.4	1.8	15.2	5.2	1.8	45.1	1.4	6.5	13.2
Korea	5.6	11.4	2.9	15.3	4.0	6.3	32.2	2.8	12.9	6.6
Latvia	6.4	12.2	4.9	20.7	2.4	5.2	26.1	4.5	13.3	4.3
Lithuania	7.0	8.4	3.5	18.3	3.5	4.3	32.1	5.6	11.5	5.9
Luxembourg	13.2	1.4	2.9	21.4	4.6	2.2	23.6	5.0	7.8	17.9
Netherlands	5.5	3.0	3.5	11.3	4.6	1.4	35.3	3.2	8.3	23.7
Norway	10.0	7.8	2.6	21.9	3.8	3.7	27.4	4.6	9.4	8.9
Poland	5.3	5.7	4.6	26.7	2.7	3.6	32.1	5.6	10.0	3.7
Portugal	11.9	2.4	3.1	20.2	4.3	4.0	37.0	4.8	8.3	4.0
Slovak Republic	9.4	4.6	3.9	23.2	4.0	2.7	39.6	3.4	7.1	2.1
Slovenia	10.0	3.2	3.3	23.3	3.1	3.5	33.7	5.0	10.4	4.7
Spain	9.7	3.5	2.8	16.1	6.4	2.8	33.7	5.1	10.9	9.0
Sweden	17.7	5.2	2.9	13.5	2.2	2.7	23.7	3.6	15.3	13.2
Switzerland	21.4	5.5	5.5	14.8	3.9	1.5	6.7	2.8	18.2	19.7
United Kingdom	3.1	9.7	6.2	11.8	3.6	2.6	37.9	2.2	9.2	13.8
United States	10.7	20.2	6.4	21.9	0.0	2.4	16.3	1.6	16.4	4.1
OECD	9.2	9.9	4.2	16.4	2.7	2.4	31.9	2.7	10.7	9.8
OECD-EU	10.2	4.2	3.1	13.7	3.6	2.2	39.0	3.9	7.6	12.5
Bulgaria	7.3	7.2	4.0	13.8	5.7	8.4	37.4	2.8	10.8	2.6
Croatia	8.9	2.5	5.2	23.5	3.7	4.5	33.5	4.7	9.8	3.7
Romania	9.1	5.3	2.6	29.5	4.3	8.3	27.5	4.0	6.1	3.4

Source: OECD National Accounts Statistics (database); Eurostat Government Finance Statistics (database).

StatLink https://stat.link/lptwg7

Green public procurement strategies

In addition to supporting economic efficiency, public procurement can help achieve other strategic objectives such as the green transition. Governments across the OECD are increasingly focusing on sustainability and using their purchasing power to steer their economies towards greater consideration of environmental choices and outcomes. By taking a whole life cycle approach to the purchase of goods, services and works, governments can make an important contribution to protecting the environment and tackling climate change.

Countries have been developing green public procurement (GPP) strategies and policies for more than a decade, and their adoption has substantially increased since the definition of Agenda 2030 and the Sustainable Development Goals. In 32 out of 34 OECD countries surveyed (94%) there is an active national GPP policy or framework, suggesting that GPP is widely recognised as a powerful tool to achieve the climate action goals countries have endorsed (Figure 7.3).

Indeed, 28 out of the 32 countries with a GPP policy or framework (88%) clearly refer to GPP or public procurement in national commitments on climate action and consider this government function as integral to achieving their environmental commitments. Japan mentions the national policy on GPP in its Plan for Global Warming Countermeasures and National Action Plan, and Canada cites GPP as a means to achieve net zero emissions by 2050.

To ensure alignment with global commitments on climate action, OECD countries regularly revise their GPP policies. In fact, almost two-thirds (20 out of 32, or 63%) of countries with a GPP framework have updated it in the past three years to target high-impact sectors and to move towards cleaner products more rapidly (Figure 7.3). For example, in 2021, the United Kingdom enacted a Procurement Policy Note that introduces a new selection criterion for major government contracts, excluding suppliers from the procurement process if they have failed to produce a carbon reduction plan and committed to net zero emissions by 2050.

Considering the expertise needed to define ambitious and coherent objectives in GPP policies, public procurement authorities in all OECD countries rely on other government bodies. In 29 out of the 32 OECD countries with GPP strategies (90%), the national frameworks integrate a co-ordination mechanism to design, implement and revise GPP policies (Table 7.4). In 13 of these countries (45%), ministries of environment or similar agencies formally co-ordinate GPP and broader environmental policies, thereby reinforcing the role of GPP in implementing their environmental objectives. A further 16 countries (55%) rely instead on inter-ministerial or ad hoc working groups convening different stakeholders. In the United States, the alignment between GPP and environmental policies is assigned to one of the highest levels of government, the Executive Office of the President. In France, the General Commission for Sustainable Development, an inter-ministerial delegation for sustainable development, is responsible for steering the National Sustainable Procurement Plan (PNAD) 2022-2025.

Methodology and definitions

Data were collected through the OECD Survey on Green Public Procurement (2022) to which 34 OECD countries responded. The survey covered four pillars: *policy and strategic framework*, *public-private interactions*, *evaluation of impact*, and *capacity building and support*. Respondents were country delegates responsible for procurement policies at the central government level and senior officials in central purchasing bodies.

Green public procurement (GPP) is the public purchasing of products and services that are less environmentally damaging when taking into account their whole life cycle. GPP is part of a broader sustainable public procurement agenda that addresses economic, social, and environmental concerns through public procurement policies and implementation.

A whole life cycle approach means reaching beyond the initial price tag and considering other relevant costs incurred, such as installation, operation and maintenance including the regularly reoccurring replacement, renewal of components, financing and disposal.

Further reading

OECD (2022), *Life-Cycle Costing in Public Procurement in Hungary: Stocktaking of Good Practices*, OECD Public Governance Reviews, OECD Publishing, Paris, *https://doi.org/10.1787/8d90f627-en*.

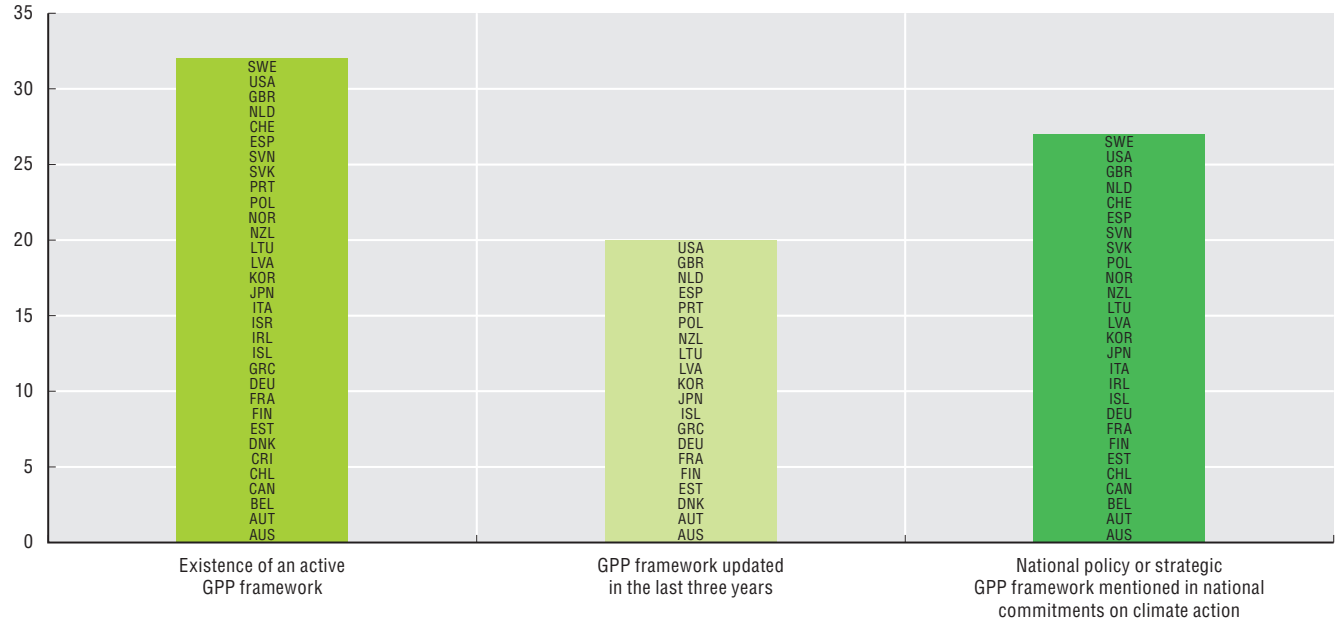
OECD (2019), *Reforming Public Procurement: Progress in Implementing the 2015 OECD Recommendation*, OECD Public Governance Reviews, OECD Publishing, Paris, *https://doi.org/10.1787/1de41738-en*.

Figure notes

Data for Colombia, the Czech Republic, Luxembourg and Türkiye are not included as they did not respond to the survey.

7.4. Mexico and Hungary are excluded as they indicated they did not have an active GPP framework at the time of the survey (end 2022). Hungary adopted a GPP strategy (2022-2027) in December 2022, after the closure of the data cycle for this questionnaire.

7.3. Green public procurement policy frameworks, 2022



Source: OECD (2022), Survey on Green Public Procurement.

StatLink https://stat.link/0zlc37

7.4. Institutional co-ordination between environmental and green public procurement policies, 2022

Country	Yes, through the Ministry of Environment or equivalent	Yes, through inter-ministerial working group	Yes, through *adhoc* group	No
Australia	●			
Austria	●			
Belgium		●		
Canada		●		
Chile	●			
Costa Rica				●
Denmark		●		
Estonia	●			
Finland				●
France		●		
Germany		●		
Greece				●
Iceland		●		
Ireland	●			
Israel			●	
Italy	●			
Japan	●			
Korea	●			
Latvia	●			
Lithuania	●			
Netherlands	●			
New Zealand		●		
Norway		●		
Poland	●			
Portugal			●	
Slovak Republic	●			
Slovenia		●		
Spain		●		
Sweden		●		
Switzerland		●		
United Kingdom		●		
United States		●		
Total OECD	13	14	2	3

Source: OECD (2022), Survey on Green Public Procurement.

StatLink https://stat.link/q6elfr

Assessing green public procurement

Over time, OECD countries have been implementing and developing their green public procurement (GPP) policy frameworks. Reporting systems are essential to hold administrations to account for how environmental policy objectives are being met and assess their impact.

The broad objectives in GPP policies are usually translated into more tangible obligations or objectives assigned to public procurers to monitor their implementation. Countries might establish an obligation to introduce green requirements in public tenders or set more incremental targets such as the percentage of goods or services subject to green strategies.

Indeed, 14 of 34 OECD countries surveyed (41%) have set mandatory requirements to use GPP (Figure 7.5). For example, Italy has defined Minimum Environmental Criteria (CAM) for 18 product categories which are mandatory for contracting authorities at all levels of government, irrespective of the value of the tender. A further 10 countries (29%) set targets. In the Slovak Republic, the targets for GPP are 70% of the total value and number of contracts by 2030. Further, seven countries (Austria, France, Iceland, Japan, Korea, the United States, and Germany) have adopted both mandatory requirements and targets, while three (Finland, Chile and Hungary) have neither mandatory requirements nor targets related to GPP. 7 out of 34 (21%) surveyed countries do not require public agencies to report on GPP spending or the number of contracts.

Streamlined monitoring mechanisms ease the reporting process. Currently, 14 out of 34 countries (41%) use a digital platform linked to the electronic procurement system, while others (38%) have specific reporting mechanisms (Figure 7.5). For example, Korea monitors GPP implementation across 30 000 procuring entities using a platform interconnected with all e-Procurement systems. The Netherlands collect data on GPP through a dedicated self-evaluation tool.

Of the 27 OECD countries with a GPP reporting system, 16 (59%) are collecting information on the value of procurement expenditure using GPP criteria, while 9 (33%) are only evaluating the number of tenders (Table 7.6). The scope of what is measured, however, differs widely across those countries measuring value, hindering a comprehensive assessment of GPP expenditure against total procurement expenditure. Some countries, such as Ireland, only collect data above a certain value and at central level. A few countries, including Latvia and Korea, collect comprehensive information on GPP expenditure at all levels of government.

Most countries regularly publish these data: 24 out of 27 (89%) OECD countries make their data on GPP publicly available on a website. This could reinforce trust in public institutions by showing how taxpayers' money is spent, in line with the principles of transparency and accountability.

Other than the immediate outputs of their GPP practices, such as the value or number of contracts affected, OECD countries seldom measure the outcomes of these strategies, such as impact on greenhouse gas emissions. Only 12 out of 32 OECD countries with GPP policies (38%) report on their impact and are therefore able to understand how they are contributing to meeting their sustainability goals. Japan, for example, has developed a process to estimate the CO_2 savings generated by GPP. New Zealand, under the Carbon Neutral Government Programme, measures progress made by government agencies towards limiting global warming to 1.5 C°, including through their procurement activities.

Methodology and definitions

Data were collected through the OECD Survey on Green Public Procurement (2022) to which 34 OECD countries responded. The survey covered four pillars: *policy and strategic framework*, *public-private interactions*, *evaluation of impact*, and *capacity building and support*. Respondents were country delegates responsible for procurement policies at the central government level and senior officials in central purchasing bodies. Results of the survey only consider national legislation, mandatory requirements to use GPP foreseen by EU directives are excluded.

Green public procurement (GPP) is the public purchasing of products and services that are less environmentally damaging when taking into account their whole life cycle. GPP is part of a broader sustainable public procurement agenda that addresses economic, social, and environmental concerns.

The monitoring of GPP refers to the mechanisms designed to assess the implementation of GPP frameworks. Reporting systems refer to the tools used to collect and gather data on spending considering GPP or number of tenders including GPP criteria.

Further reading

OECD (2022), *Life-Cycle Costing in Public Procurement in Hungary: Stocktaking of Good Practices*, OECD Public Governance Reviews, OECD Publishing, Paris, *https://doi.org/10.1787/8d90f627-en*.

OECD (2019), *Reforming Public Procurement: Progress in Implementing the 2015 OECD Recommendation*, OECD Public Governance Reviews, OECD Publishing, Paris, *https://doi.org/10.1787/1de41738-en*.

Figure notes

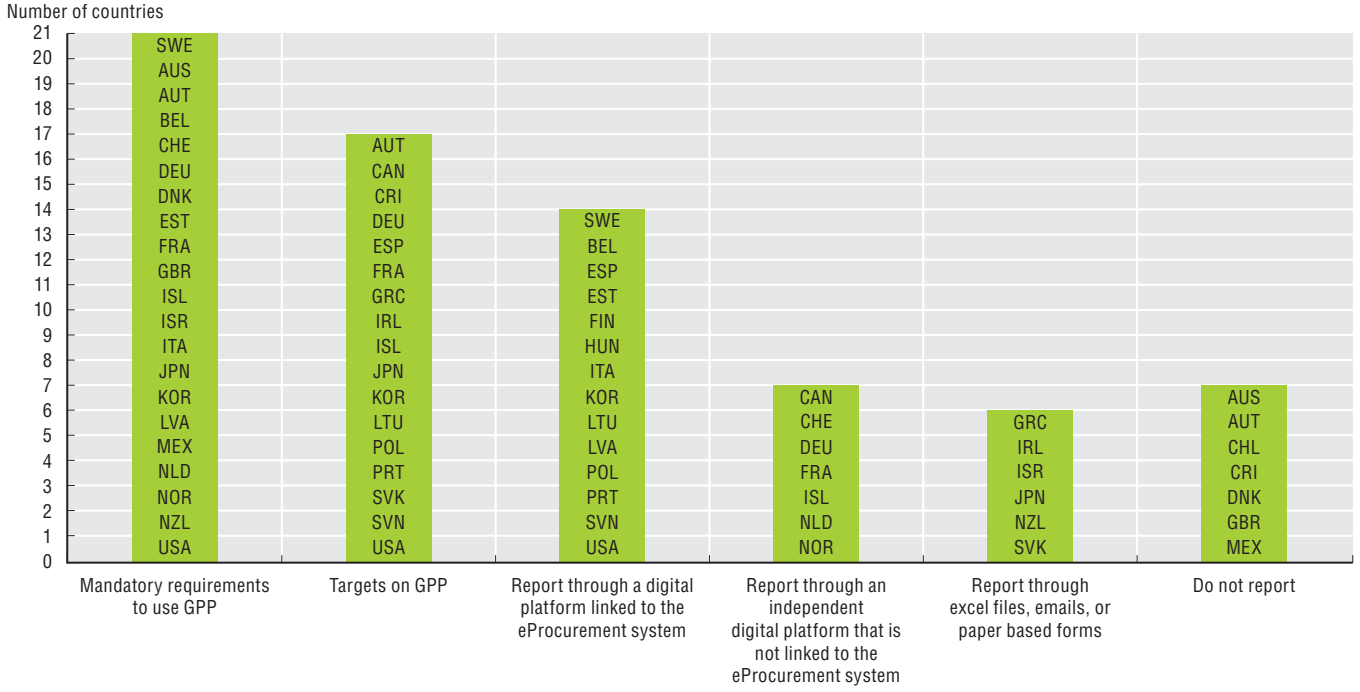
Data for Colombia, the Czech Republic, Luxembourg and Türkiye are not included as they did not respond to the survey.

7.5. Austria established a system to monitor GPP, after the closure of the data cycle for this questionnaire (end of 2022), and data on GPP is currently being collected. In addition, some federal states also monitor their own sustainability programmes. In Australia, public institutions do need to report on ecologically sustainable development and environmental performance through institutions' Annual Reports. As of April 2023, Korea monitors GPP implementation across 40 000 procuring entities using a platform interconnected with all e-procurement systems.

7.6. Mexico and Hungary are not included in the aggregated evaluation of impacts of GPP policies as they indicated they did not have an active GPP framework at the time of the survey (end of 2022). Hungary adopted a GPP strategy (2022-2027) in December 2022, after the closure of the data cycle for this questionnaire.

7.5. Reporting requirements for green public procurement, 2022

Requirements on public institutions to report on green public procurement spending or number of tenders including green public procurement criteria



Source: OECD (2022), Survey on Green Public Procurement.

StatLink https://stat.link/9p5fbe

7.6. Measures taken to implement green public procurement, 2022

	Available data in reporting systems	Data publicly available on a website	Aggregated evaluation of impact
Australia			
Austria			
Belgium	✧	●	●
Canada	✧	●	
Chile			
Costa Rica			
Denmark			●
Estonia	■	●	●
France	■		●
Finland	✧		
Germany	✧	●	
Greece	■	●	
Hungary	■	●	
Iceland	■	●	●
Ireland	■	●	
Israel	✧		
Italy	■	●	
Japan	✧	●	●
Korea	■	●	
Latvia	■	●	
Lithuania	■	●	
Mexico			
Netherlands	✧	●	●
New Zealand	✧	●	●
Norway		●	●
Poland	■	●	
Portugal	■	●	
Slovak Republic	■	●	
Slovenia	■	●	●
Spain	■	●	
Sweden		●	●
Switzerland	✧	●	
United Kingdom			
United States	■	●	●
OECD Total			
● Yes		24	12
■ Data on the value of GPP	16		
✧ Data on the number of tenders including GPP criteria	9		

Note: Austria established a system to monitor GPP, after the closure of the data cycle for this questionnaire (end of 2022).

Source: OECD (2022), Survey on Green Public Procurement.

StatLink https://stat.link/0kpihm

8. INFRASTRUCTURE PLANNING AND DELIVERY

Stakeholder participation in infrastructure decision making

Public infrastructure regulatory frameworks and permit procedures

Managing public integrity threats in infrastructure projects

Delivering environmentally sustainable and climate-resilient infrastructure

Stakeholder participation in infrastructure decision making

Citizen and stakeholder participation can improve the design and public acceptance of infrastructure projects. In an era of multiple crises, using citizen and stakeholder inputs in infrastructure decision making can help countries address long-term challenges such as climate change, and promote minority inclusion, gender equality and biodiversity protection. The OECD Recommendation on the Governance of Infrastructure highlights the need to inform, consult, and engage with stakeholders to ensure that infrastructure planning and investments are informed by citizens' needs.

The OECD Infrastructure Governance Indicator (IGI) on stakeholder participation gives an overview of countries' performance in *developing national guidance, promoting effective participation, and ensuring stakeholder oversight* over infrastructure projects. The OECD average score is 0.52 but country scores range widely from 0.23 to 0.83 (Figure 8.1). While countries have shown some good practices, there is room to improve in all three aspects covered by the index.

Most OECD countries have put in place some mechanisms for citizens and stakeholders to influence public decisions throughout the infrastructure life cycle. Twenty-seven out of 31 OECD countries (87%) have developed participatory mechanisms for spatial planning and its relation to infrastructure development. For example, in Colombia, public participation in land use planning is mandated by law and takes the form of public hearings, petitions, and discussions during the planning permit process. More than half of OECD countries (20 out of 33 or 61%) have a formal requirement to consider and respond to inputs from consultations as well as to publicly disclose the inputs and responses (Table 8.2).

However, more could be done in the area of monitoring and oversight. Just over half of OECD countries with data available (17 out of 32 or 53%) give stakeholders a role in oversight and monitoring such as through participation in procurement, assessing and mitigating the risks of corruption (Table 8.2). In 11 of these countries, however, this role is not formal (established in legislation or regulation or part of a formalised process).

To ensure that participation is systematic and effective, countries can provide central guidance on how to design, implement and evaluate such processes. Most OECD countries have adopted such type of guidance (27 out of 33, or 82%). Only 24% (8 out of 33) have guidance specific to infrastructure or sectors. Countries can get more relevant and actionable inputs by improving the way citizens and stakeholders are identified and targeted, i.e., ensuring their role reflects the extent to which they are affected by the project. Countries should also take steps to ensure that under-represented or traditionally marginalised groups are heard and their views considered in decision making. Currently, 27% of OECD countries (9 out of 33) mandate outreach to under-represented groups, such as minorities, indigenous communities, and people with disabilities (Table 8.2).

Methodology and definitions

Data are drawn from the 2022 OECD Survey on the Governance of Infrastructure, conducted in May 2022, with responses from 34 OECD countries (Denmark, Hungary, Israel and the Netherlands did not answer to the survey). The survey monitors policies and arrangements in place at the national/federal level during the survey implementation (from May until October 2022) and does not cover practices at subnational levels. Spain and the United States have reported changes since then. Respondents were predominantly senior officials in the central/federal ministries of infrastructure, public works and finance, as well as in infrastructure agencies and other line ministries. The IGI on stakeholder participation is composed of three sub-pillars: participation guidance, participation practices and oversight, each with an equal weight (33%). The overall index ranges from 0 (lowest) to 1 (highest).

Stakeholder participation refers to all the ways in which stakeholders can be involved in the policy cycle and in service design and delivery. Information is an initial level, characterised by a one-way relationship where the government disseminates information to stakeholders, both on demand and proactively. Consultation is a two-way relationship between stakeholders and the government. It is based on the prior definition of the issue on which views are being sought and requires governments to provide relevant information and feedback on outcomes. Engagement is a more advanced level of participation where stakeholders are given the opportunity and the resources needed (e.g., information, data and digital tools) to collaborate during all phases of the policy cycle and in service design and delivery (OECD, 2017).

Further reading

OECD (2022), *OECD Guidelines for Citizen Participation Processes*, OECD Public Governance Reviews, OECD Publishing, Paris, *https://doi.org/10.1787/f765caf6-en*.

OECD (2020), "Recommendation of the Council on the Governance of Infrastructure", *OECD Legal Instruments*, OECD, Paris, *https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0460*.

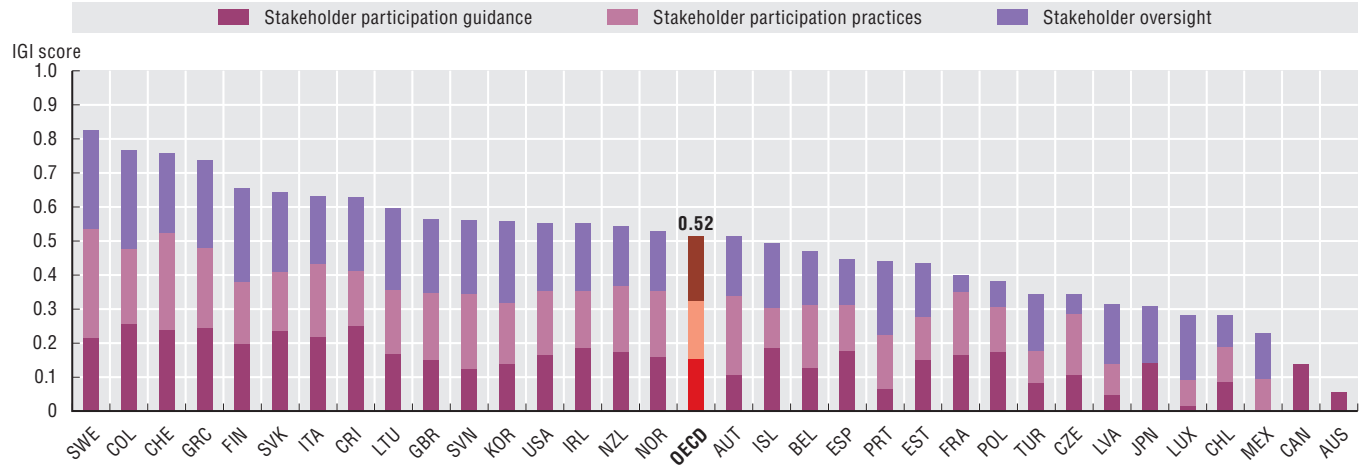
OECD (2017), "Recommendation of the Council on Open Government", *OECD Legal Instruments*, OECD, Paris, *https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0438*.

Figure notes

Data for Germany are not available. Data for Belgium are based on responses from Flanders only.

8.1. Japan does not have complete data for this indicator. For Australia and Canada, only the sub-pillars applicable at the federal level are presented. Only the sub-pillars with complete data are included (countries with incomplete data are not included in the OECD average).

8.1. Stakeholder participation in infrastructure decision making, 2022



Source: OECD (2022), Survey on the Governance of Infrastructure – Part I: Ensure transparent, systematic and effective stakeholder participation.

StatLink https://stat.link/xhe9mb

8.2. Promoting stakeholder participation to better inform infrastructure decision making, 2022

Country	National guidance on stakeholder participation	Mechanisms for stakeholder participation on spatial planning	Consideration of and response to inputs from consultations	Mandatory outreach to under-represented groups	Stakeholder oversight and monitoring of public infrastructure
Australia	×	–	×	✓	×
Austria	○	✓	▲	×	×
Belgium (Flanders)	○	✓	▲	×	×
Canada	○	–	△	✓	–
Chile	×	×	△	✓	×
Colombia	●	✓	▲	✓	✓
Costa Rica	○	×	△	✓	✓
Czech Republic	○	✓	▲	×	×
Estonia	○	✓	▲	×	×
Finland	●	✓	▲	✓	✓
France	○	✓	▲	×	×
Greece	●	✓	△	×	✓
Iceland	○	✓	▲	×	×
Ireland	●	✓	▲	×	×
Italy	●	✓	▲	×	✓
Japan	○	×	△	×	✓
Korea	●	✓	▲	×	✓
Latvia	×	✓	×	×	✓
Lithuania	○	✓	▲	×	✓
Luxembourg	×	✓	×	×	×
Mexico	×	×	×	×	✓
New Zealand	○	✓	▲	✓	×
Norway	○	✓	▲	✓	×
Poland	●	✓	▲	×	×
Portugal	×	✓	△	×	✓
Slovak Republic	○	✓	▲	×	✓
Slovenia	○	✓	▲	×	✓
Spain	○	✓	△	×	×
Sweden	○	✓	▲	×	✓
Switzerland	●	✓	▲	×	✓
Türkiye	○	✓	△	×	✓
United Kingdom	○	✓	△	×	×
United States	○	✓	▲	✓	✓
OECD Total					
✓ Yes		27		9	17
× No	6	4	4	24	15
● Infrastructure/sector-specific guidance	8				
○ General guidance	19				
▲ Required, and mandatory public disclosure			20		
△ Required, but no mandatory public disclosure			9		
– Not applicable		2			1

Source: OECD (2022), Survey on the Governance of Infrastructure – Part I: Ensure transparent, systematic and effective stakeholder participation.

StatLink https://stat.link/jyp064

Public infrastructure regulatory frameworks and permit procedures

Public infrastructure projects often involve large amounts of financial resources and take many years. They need to operate under regulations that contribute to optimising their lifespan and costs, assess risk exposure, and build resilience. The OECD Recommendation on the Governance of Infrastructure highlights that a coherent, predictable, and efficient regulatory framework encourages investment in public infrastructure, and ensures the delivery of ongoing improvements in the quality of infrastructure services.

The OECD Infrastructure Governance Indicator (IGI) on regulatory frameworks for public infrastructure provides an overview of countries' performance in promoting efficient regulatory frameworks and permit procedures, and ensuring good governance (i.e. independent and accountable economic regulators). Across OECD countries, indicator values range widely from 0.43 to 0.81 with an average of 0.64 (Figure 8.3). On average, countries score higher for *governance of economic regulators* (0.71) and *permitting practices* (0.64). The *regulatory framework* sub-pillar has the lowest average score (0.58) as many countries lack dedicated mechanisms to facilitate access to and review of regulations relevant to infrastructure, and co-ordination between regulatory bodies and across levels of government could be further improved.

As many OECD countries accelerate infrastructure projects to promote the green transition, most have become aware of the importance of transparent, predictable, coherent and efficient permit procedures. Streamlined procedures have been identified as a priority to speed up the renewable energy transition (McKinsey, 2022). Twenty-three out of 32 OECD countries (72%) systematically collect data to inform permit practices, while 27 out of 31 (87%) have transparent processes allowing the public to track progress in issuing permits for transport infrastructure. Similarly, almost all countries (30 out of 32 or 94%) have created mechanisms to provide relevant information and invite citizens and stakeholders to comment on permit applications before a decision is made. For example, in the United Kingdom, most local planning authority applications require public notice and enough time for the public to provide feedback. In most of these countries (27 out of 32 or 84%), stakeholders are informed on how and why their input has been considered in the permitting procedure (Table 8.4).

While most OECD countries have adopted good practices in promoting transparency and stakeholder participation, more could be done to increase the accountability of permitting agencies. Currently, only 43% of OECD countries (13 out of 30) have put in place mechanisms to measure and assess permitting agencies' performance against regulatory goals (based on outcomes rather than on outputs) in the transport sector (Table 8.4). For example, the United States' Department of Transportation is required to establish a performance accountability system to track the environmental review and permit process for each major project.

Methodology and definitions

Data are drawn from the 2022 OECD Survey on the Governance of Infrastructure and the 2018 OECD Indicators on the Governance of Sector Regulators. The latter capture the governance arrangements of economic regulators as of 1 January 2018 in the energy, e-communications, rail transport, air transport and water sectors (see Annex B for more details). The former was conducted in May 2022, with responses from 34 OECD countries (Denmark, Hungary, Israel and the Netherlands did not answer to the survey). The survey monitors policies and arrangements in place at the national/federal level during the survey implementation (from May until October 2022) and does not cover specific practices at subnational levels. Spain and the United States have reported changes since then. Respondents were predominantly senior officials in the central/federal ministries of infrastructure, public works and finance, as well as in infrastructure agencies and other line ministries. The IGI on regulatory framework are composed of three sub-pillars: regulatory framework, permitting practices and governance of economic regulators, each with an equal weight (33%). The overall index ranges from 0 (lowest) to 1 (highest).

Regulatory frameworks set the "rules of the game" for a particular sector and market. They have profound impact on infrastructure investment, development, maintenance, upgrading and decommissioning.

Permitting/licensing is the practice of requiring prior approval by a government authority for the construction and operation of infrastructure. Approval is based on the provision of specific validated or certified information, usually in written form. Governments use permits or licences – in varying degrees and with different objectives – to protect the environment, assure certain market allocations or protect users.

Further reading

McKinsey (2022), *The energy transition: A region-by-region agenda for near-term action*, McKinsey.

OECD (2020), "Recommendation of the Council on the Governance of Infrastructure", *OECD Legal Instruments*, OECD, Paris, *https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0460*.

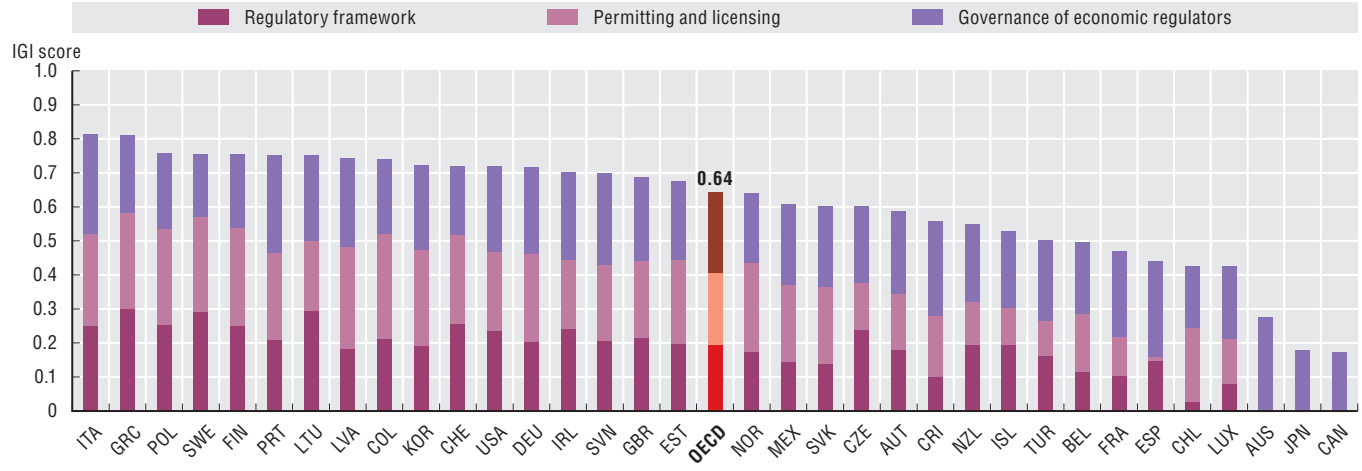
OECD (2012), "Recommendation of the Council on Regulatory Policy and Governance", *OECD Legal Instruments*, OECD, Paris, *https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0390*.

Figure notes

Data for Belgium are based on responses from Flanders only.

8.3. Japan does not have complete data for this indicator. The sub-pillars on regulatory framework and permitting are not applicable for Australia and Canada at the federal level. Only the sub-pillars with complete data are included (countries with incomplete data are not included in the OECD average).

8.3. Regulatory frameworks for public infrastructure, 2022



Source: OECD (2022), Survey on the Governance of Infrastructure – Part II: Promote a coherent, predictable, and efficient regulatory framework; OECD (2018), Survey on the Indicators on the Governance of Sector Regulators.

StatLink https://stat.link/0tm6ey

8.4. Promoting efficient permit procedures, 2022

Country	Systematic collection of data to inform permitting practices	Transparent permitting procedures for transport infrastructure	Stakeholder participation in the permitting procedure	Information on consideration of stakeholder inputs in the permitting procedure	Assessment of permitting agencies' performance for transport infrastructure
Australia	–	–	–	–	–
Austria	✓	✓	✓	✓	×
Belgium (Flanders)	✓	✓	✓	✓	×
Canada	–	–	–	–	–
Chile	✓	✓	✓	✓	✓
Colombia	✓	✓	✓	✓	✓
Costa Rica	✓	✓	✓	✓	..
Czech Republic	×	✓	✓	✓	×
Estonia	×	✓	✓	✓	×
Finland	✓	✓	✓	✓	✓
France	×	×	✓	✓	×
Germany	✓	✓	✓	✓	×
Greece	✓	✓	✓	✓	✓
Iceland	✓	×	✓	✓	×
Ireland	✓	✓	✓	×	✓
Italy	✓	✓	✓	✓	×
Japan	✓	..	✓	×	..
Korea	✓	✓	✓	✓	✓
Latvia	✓	✓	✓	✓	✓
Lithuania	✓	✓	✓	×	×
Luxembourg	×	✓	✓	✓	×
Mexico	✓	✓	✓	✓	×
New Zealand	×	×	✓	✓	×
Norway	✓	✓	✓	✓	✓
Poland	✓	✓	✓	✓	×
Portugal	×	✓	✓	✓	✓
Slovak Republic	✓	✓	✓	✓	×
Slovenia	✓	✓	✓	✓	✓
Spain	×	×	×	×	×
Sweden	✓	✓	✓	✓	✓
Switzerland	✓	✓	✓	✓	✓
Türkiye	×	✓	×	×	×
United Kingdom	✓	✓	✓	✓	×
United States	×	✓	✓	✓	✓
OECD Total					
✓ Yes	23	27	30	27	13
× No	9	4	2	5	17
– Not applicable	2	2	2	2	2
.. Not available		1			2

Source: OECD (2022), Survey on the Governance of Infrastructure – Part II: Promote a coherent, predictable, and efficient regulatory framework.

StatLink https://stat.link/r2g4v3

Managing public integrity threats in infrastructure projects

Integrity risks can arise at every stage of the infrastructure life cycle, resulting in inappropriate use of resources or improper behaviour. During crises, when rapid responses are needed and some safeguards lifted, these risks may increase and require adequate firewalls. OECD recommendations on the governance of infrastructure and on public integrity (OECD, 2020, 2017) highlight the adoption of a risk-based approach to identify, mitigate, and address integrity risks such as fraud, collusion, corruption, undue influence or other unethical practices at each stage of the infrastructure life cycle and develop tailored control mechanisms.

The OECD Infrastructure Governance Indicator (IGI) on integrity provides an overview of where OECD countries stand in five sub-pillars of management of integrity risks in infrastructure governance: *risk-based approaches*, *internal and external control*, *management of conflict of interest and integrity risks and enforcement mechanisms*. The indicator does not measure the effectiveness or quality of implementation of these elements. With an average of 0.69, country scores range from 0.29 to 0.88 (Figure 8.5). On average, countries scored lower on risk-based approach (0.59) and conflict of interest management (0.51) than the other sub-pillars of the index.

Infrastructure management has a high risk of integrity failures due to the large sums involved, the complexity of the transactions, – especially those requiring complex financial schemes such as public-private partnerships or concessions and procurement methods – and the multiplicity of stakeholders. Precisely targeting such risks may require tailored policies and tools, consistently implemented and aligned to a whole-of-government approach to integrity. Currently, only 59% of OECD countries with data available (16 out of 27) explicitly address public integrity threats in their infrastructure risk management frameworks. Even fewer countries (12 out of 26 or 46%) assess public integrity risks for all or at least for major infrastructure projects, at a minimum identifying the specific types of relevant integrity breaches, the actors likely to be involved, as well as the expected likelihood and impact if a risk materialises (Table 8.6).

Across OECD countries, management of conflict of interest in infrastructure projects is often part of a wider framework for all public officials. However, 64% of OECD countries (18 out of 28) have a conflict of interest policy or institutional framework exclusively for infrastructure management officials. Such frameworks may include specific guidelines, case studies or practical manuals to apply rules and policies to the activities involved throughout the infrastructure cycle and are aimed at preventing and managing conflict of interest during project assessment and selection, tendering and award, contract management, and evaluation and audit. Only Lithuania has a conflict-of-interest framework exclusively for infrastructure management officials covering gifts and gratuities, and only in Costa Rica, Lithuania and Switzerland do these frameworks cover their pre- or post-public employment (Table 8.6). There is room to increase the provision of illustrations and guidelines on how integrity risk assessments and conflict-of-interest policies could be applied to the management of infrastructure.

Methodology and definitions

Data are drawn from the 2022 OECD Survey on the Governance of Infrastructure, conducted in May 2022, with responses from 34 OECD countries (Denmark, Hungary, Israel and the Netherlands did not reply to the survey). The survey monitors policies and arrangements in place at the national/federal level during the survey implementation (from May until October 2022) and does not cover specific practices at subnational levels. Spain and the United States have reported changes since then. Respondents were predominantly senior officials in the central/federal ministries of infrastructure, public works and finance, as well as in infrastructure agencies and other line ministries. The IGI on integrity has five sub-pillars: risk-based approaches, internal and external control, management of conflict of interest and enforcement mechanisms, each with an equal weight (20%). The overall index ranges from 0 (lowest) to 1 (highest).

Public integrity refers to the consistent alignment of, and adherence to, shared ethical values, principles and norms for upholding and prioritising the public interest over private interests in the public sector (OECD, 2017).

A conflict of interest in the public sector arises when a public official has private-capacity interests which could improperly influence the performance of their official duties and responsibilities (OECD, 2003).

Further reading

OECD (2020), "Recommendation of the Council on the Governance of Infrastructure", *OECD Legal Instruments*, OECD, Paris, *https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0460*.

OECD (2017), "Recommendation of the Council on Public Integrity", *OECD Legal Instruments*, OECD, Paris, *https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0435*.

OECD (2003), "Recommendation of the Council on Guidelines for Managing Conflict of Interest in the Public Service", *OECD Legal Instruments*, OECD, Paris, *https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0316*.

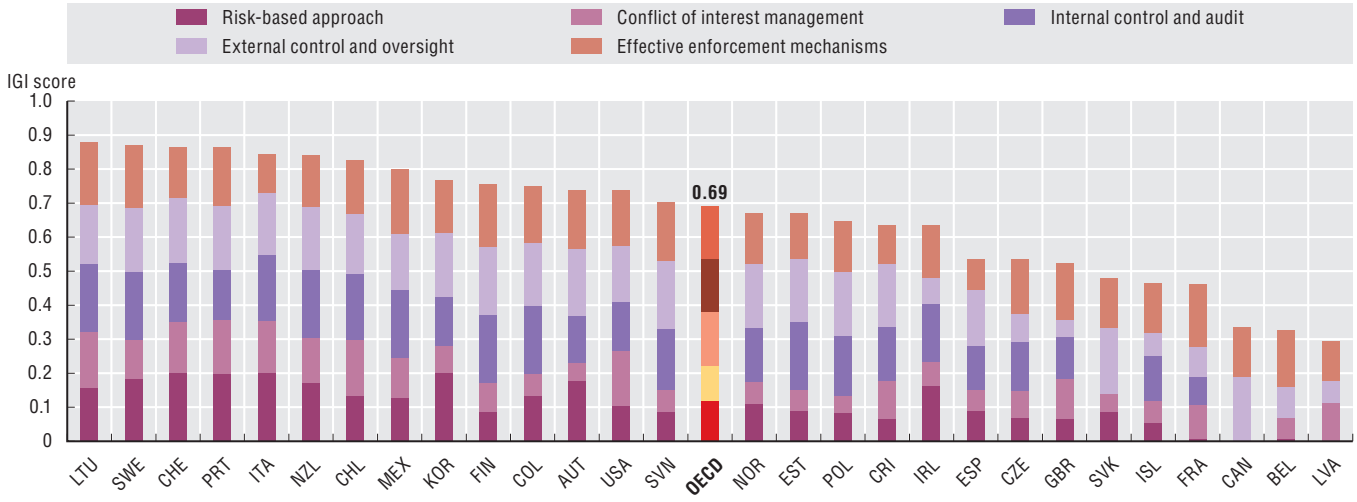
Figure notes

Data for Australia, Germany, Greece, Japan, Luxembourg and Türkiye are not available. Data for Belgium are based on the survey responses from Flanders only.

8.5. Belgium (Flanders) and the Slovak Republic do not have complete data for this indicator. For Canada, only the sub-pillars applicable at the federal level are presented. Only the sub-pillars with complete data are included (countries with incomplete data are not included in the OECD average).

8.6. Since the implementation of the survey, Spain's Recovery, Transformation and Resilience Plan reinforces the requirements for integrity risk assessment of infrastructure undertakings under the plan.

8.5. Management of threats to public integrity in infrastructure decision making, 2022



Source: OECD (2022), Survey on the Governance of Infrastructure – Part III: Implement a whole-of-government approach to manage threats to integrity.
StatLink https://stat.link/1cfxpg

8.6. Policies and tools to target public integrity risks in infrastructure management, 2022

Country	Integrity risks addressed in infrastructure risk management framework	Integrity risk assessment of major infrastructure undertakings	Policy or institutional framework for conflict of interests	Rules relative to gifts and gratuities	Rules relative to pre- or post-public employment
Austria	✓	■	♦	♦	♦
Belgium (Flanders)	×	△	♦	♦	♦
Canada	–	–	♦	♦	–
Chile	✓	○	●♦	♦	♦
Colombia	×	■	♦	♦	♦
Costa Rica	✓	○	♦	♦	●
Czech Republic	×	△	●♦	♦	♦
Estonia	×	▲	●♦	♦	♦
Finland	×	□	●♦	♦	♦
France	×	△	●♦	♦	♦
Iceland	×	○	●♦	♦	×
Ireland	✓	□	●♦	♦	♦
Italy	✓	■	●♦	♦	♦
Korea	✓	■	♦	♦	♦
Latvia	×	○	●♦	♦	♦
Lithuania	✓	□	●♦	●	●
Mexico	✓	▲	●♦	♦	♦
New Zealand	✓	▲	●♦	♦	×
Norway	✓	..	●♦	♦	♦
Poland	✓	▲	●♦	♦	×
Portugal	✓	■	♦	♦	♦
Slovak Republic	×	□	♦	♦	♦
Slovenia	×	□	●♦	♦	♦
Spain	✓	○	●♦	♦	♦
Sweden	✓	□	♦	♦	♦
Switzerland	✓	■	●♦	♦	●
United Kingdom	✓	○	●♦	♦	♦
United States	×	▲	♦	♦	♦
OECD Total					
✓ Yes	16				
■ Always		6			
□ In most cases		6			
▲ Sometimes		5			
△ Seldom		3			
○ Never		6			
● Exclusive for infrastructure management officials			18	1	3
♦ Applicable to all public officials			28	27	21
× No	11				3
– Not applicable	1	1			1
.. Not available		1			

Source: OECD (2022), Survey on the Governance of Infrastructure – Part III: Implement a whole-of-government approach to manage threats to integrity.
StatLink https://stat.link/gtosx3

Delivering environmentally sustainable and climate-resilient infrastructure

The magnitude and urgency of the climate crisis calls for a new holistic approach to infrastructure planning and delivery. Achieving net-zero emissions in 2050 will require global annual investment in the energy sector investment to rise from USD 2.3 trillion in recent years to USD 5 trillion by 2030 (IEA, 2021). For transport-related clean energy, the estimated rise needs to be from USD 75 billion per year to over USD 570 billion by 2030 (IEA, 2021). At the same time, infrastructure assets and operations will be increasingly exposed to the effects of climate change, which will require an integrated approach to building resilience. In this context, the OECD Recommendation on the Governance of Infrastructure highlights the need to strengthen the quality of governments' approaches to delivering environmentally sustainable and climate-resilient infrastructure, and to engage with the private sector and the civil society to work collectively towards achieving climate action objectives.

The OECD Infrastructure Governance Indicator (IGI) on environmentally sustainable and climate-resilient infrastructure provides an overview of the different governance elements supporting environmentally sustainable and climate-resilient infrastructure: *enabling conditions, planning, project appraisal, capital budgeting and financing and monitoring*. Country indicator values range from 0.19 to 0.93 with an OECD average of 0.52 (Figure 8.7). While countries show some good practices, there is room for improvement in all five sub-pillars.

Most OECD countries are aware of the importance of sound planning for environmentally sustainable and climate-resilient infrastructure and many have developed guidelines for implementing the same: 69% of countries with available data (20 out of 29) provide infrastructure guidelines for covering climate change adaptation, 66% (19 countries) climate change mitigation, 55% (16 countries) biodiversity considerations, and 48% nature-based solutions (14 countries) (Table 8.8). Such guidelines are key to develop climate-resilient infrastructure systems and promote the use of green infrastructure to complement or replace grey infrastructure. The guidelines can also increase the integration of environmental and climate considerations into infrastructure planning and delivery. For example, Spain's Centro de Estudios y Experimentación de Obras Públicas co-ordinates the cross-cutting working group on climate change and resilience in roads to provide guidelines for incorporating climate change considerations into all phases of the road life cycle.

Countries could also make greater use of methodological tools to integrate environmental and climate considerations into the project appraisal process. While all OECD countries for which data are available require an environmental impact assessment to evaluate the possible impacts of a transport infrastructure project, only 68% (19 out of 28) systematically use the assessment results to inform project selection and prioritisation. Similarly, while 63% (17 out of 27) require a climate impact assessment to estimate the potential emissions of a transport infrastructure project, only 44% (12 out of 27) systematically use the results to select or prioritise projects. Less than half of OECD respondents (12 out of 26 or 46%) require climate change adaptation measures to be integrated into the design of transport infrastructure projects. Only 35% (9 out of 26) systematically use climate resilience criteria to inform project selection and prioritisation (Table 8.8).

Methodology and definitions

Data are drawn from the 2022 OECD Survey on the Governance of Infrastructure and the 2021 OECD Indicators of Regulatory Policy and Governance (iREG). The latter present up-to-date evidence on regulatory policy and governance practices as of 1 January 2021, based on responses provided by government bodies responsible for regulatory reform. The former was conducted in May 2022, with responses from 34 OECD countries (Denmark, Hungary, Israel and the Netherlands did not answer to the survey). The survey monitors policies and arrangements in place at the national/federal level during the survey implementation (from May until October 2022) and does not cover specific practices at subnational levels. Spain and the United States have reported changes since then. Respondents were predominantly senior officials in the central/federal ministries of infrastructure, public works and finance, as well as in infrastructure agencies and other line ministries. The IGI on environmentally sustainable and climate-resilient infrastructure has five sub-pillars: enabling conditions, planning, project appraisal, capital budgeting and financing and monitoring, each with an equal weight (20%). The overall index ranges from 0 (lowest) to 1 (highest).

Nature-based solutions are actions to protect, conserve, restore, sustainably use and manage natural or modified terrestrial, freshwater, coastal and marine ecosystems, which address social, economic and environmental challenges effectively and adaptively, while simultaneously providing human well-being, ecosystem services and resilience and biodiversity benefits (United Nations Environment Assembly).

Further reading

IEA (2021), *World Energy Outlook 2021*, International Energy Agency, *www.iea.org/reports/world-energy-outlook-2021*.

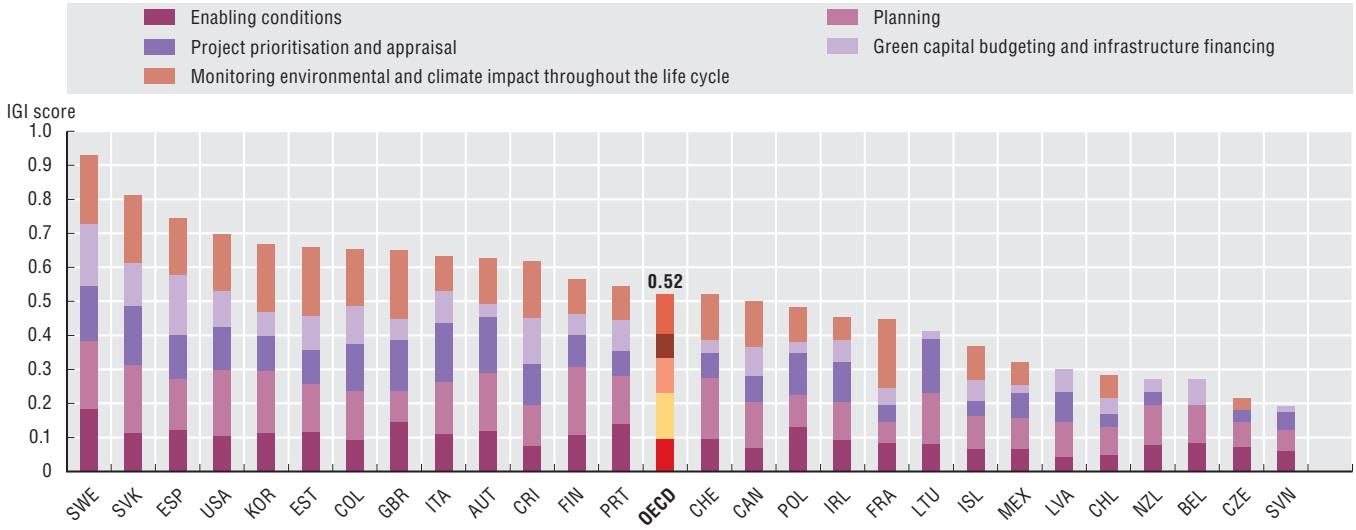
OECD (2020), "Recommendation of the Council on the Governance of Infrastructure", *OECD Legal Instruments*, OECD, Paris, *https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0460*.

Figure notes

Data for Australia, Germany, Greece, Japan, Luxembourg and Türkiye are not available. Data for Belgium are based on responses from Flanders only.

8.7. Belgium (Flanders) does not have complete data for this indicator. Only the sub-pillars with complete data are included (scores for Belgium, Flanders, are not included in the OECD average). Data for Norway are not available.

8.7. Delivering environmentally sustainable and climate-resilient infrastructure, 2022



Source: OECD (2022), Survey on the Governance of Infrastructure – Part V: Deliver environmentally sustainable and climate-resilient infrastructure; OECD (2021), Regulatory Indicators Survey.

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8.8. Integrating environmental and climate considerations into planning and project appraisal, 2022

Country	Infrastructure guidelines	Environmental Impact Assessment of transport infrastructure	Climate impact assessment of transport infrastructure	Integration of adaptation measures into design of transport infrastructure
Austria	■□▲△	●	●	●
Belgium (Flanders)	▲	●	..	..
Canada	■□▲	○	○	◊
Chile	■	○	◊	◊
Colombia	■□▲△	●	●	●
Costa Rica	■□▲△	○	○	○
Czech Republic	■□	○	◊	◊
Estonia	■□	○	○	◊
Finland	■□▲△	●	●	◊
France	×	●	◊	◊
Iceland	□▲△	●	◊	◊
Ireland	■□	●	●	◊
Italy	■□△	●	●	●
Japan	▲	..	..	..
Korea	■▲△	●	●	◊
Latvia	×	○	◊	○
Lithuania	■□△	●	●	●
Mexico	×	●	◊	◊
New Zealand	■□△	○	◊	◊
Norway	□▲	●	●	..
Poland	■△	○	○	○
Portugal	■□△	●	◊	●
Slovak Republic	■□▲△	●	●	●
Slovenia	×	●	◊	◊
Spain	■□△	○	○	●
Sweden	■□▲△	●	●	●
Switzerland	■□▲△	●	◊	◊
United Kingdom	×	●	●	●
United States	■□▲△	●	●	◊
OECD Total				
■ Adaptation	20			
□ Mitigation	19			
▲ Integrating NbS into infrastructure design	14			
△ Integrating biodiversity considerations into infrastructure planning	16			
× None	5			
● Required, and used for project selection and prioritisation		19	12	9
○ Required, but not used for project selection and prioritisation		9	5	3
◊ Not required			10	14
.. Not available		1	2	3

Source: OECD (2022), Survey on the Governance of Infrastructure – Part V: Deliver environmentally sustainable and climate-resilient infrastructure.

StatLink https://stat.link/7of1tk

9. DIGITAL GOVERNMENT AND OPEN GOVERNMENT DATA

Digital by design: Steering an inclusive digital transformation of the public sector

Leveraging artificial intelligence for proactive delivery of public policies and services

Open government data for climate action

Digital by design: Steering an inclusive digital transformation of the public sector

The public sector requires to be *digital by design* to fully adapt and take advantage of the digital age for better serving people, improving policy making and maximise government performance (OECD, 2020a). Becoming digital by design requires: 1) setting a strategic vision and clear mandate for digital government; 2) securing solid organisational leadership to steer digital government policies and actions; and 3) establishing effective co-ordination and collaboration within and outside the public sector for government-wide digital transformation in a coherent and inclusive manner.

OECD countries continue to demonstrate their clear strategic vision for digital government through the development and implementation of national digital government strategies (NDGSs), with common priorities such as increasing the accessibility and proactive delivery of services, and treating data as a key strategic asset to create public value. Almost all countries (29 out of 30, 97%) had an NDGS in place in 2022. Since 2019, Sweden has established a common ambition for digital government through a dedicated NDGS. Australia, Mexico, and Poland, which did not participate in the 2019 survey, confirmed they had an NDGS in 2022 (Figure 9.1).

Organisational leadership and cross-government co-ordination are fundamental for delivering coherent digital government policies across the public sector. Survey results highlight that governments continue to consolidate leadership and co-ordination for digital government. In both 2019 and 2022, all countries with data available had a public sector institution responsible for leading decisions on digital government at the central/federal level and co-ordinating their implementation. More notably, countries have made considerable progress in establishing formal co-ordination bodies or mechanisms responsible for steering digital government policies and initiatives in the public sector, such as Korea's e-Government Promotion Committee or Luxembourg's Inter-ministerial Council for Digitisation. In 2019, 18 out of 26 countries (69%) had such a body or mechanism in place, rising to 29 out of 30 (97%) in 2022. This means that seven countries have since established one (Figure 9.2).

Mature governance of digital government also demands the engagement of external stakeholders to build collaborative and user-centred policies and services (OECD, 2021). OECD countries could do more to foster meaningful co-ordination mechanisms with external stakeholders. In 2022, 11 out of 30 countries (36%) had established an external advisory or consultation body for digital projects in the public sector, 5 (17%) have an informal consultation body, and in 2 (7%), external stakeholders participate in the formal co-ordination mechanism mentioned above. However, 12 out of 30 (40%) still do not have any such body (Figure 9.3).

Methodology and definitions

Data were collected through the OECD Survey on Digital Government 2.0, which was designed to monitor the implementation of the OECD Recommendation of the Council on Digital Government Strategies and assesses countries' shift towards greater levels of digital maturity to deliver a human-centric and whole-of-government digital transformation of public processes and services. Survey data will be used for the forthcoming second edition of the OECD Digital Government Index.

The data presented in this section correspond to an initial analysis of the information collected through the survey, launched in November 2022. At the time of writing, responses from 30 OECD countries and 3 accession countries (Brazil, Croatia and Romania) have been analysed. In 2019, 29 OECD countries and 1 OECD partner country (Brazil) participated in a pilot of the survey. Survey respondents were senior officials in central/federal governments, who were leading and/or implementing digital government reforms, and who gathered data from different parts of the public sector as relevant.

Digital by design is the principle by which digital technologies and data are leveraged to rethink and re-engineer public processes and services, simplify procedures and create new channels of communication and engagement with public stakeholders (OECD, 2020b).

Further reading

OECD (2021), *The E-Leaders Handbook on the Governance of Digital Government*, OECD Digital Government Studies, *https://doi.org/10.1787/ac7f2531-en*.

OECD (2020a), "The OECD Digital Government Policy Framework: Six dimensions of a digital government", *OECD Public Governance Policy Papers*, No. 02, *https://doi.org/10.1787/f64fed2a-en*.

OECD (2020b), "Digital Government Index: 2019 results", *OECD Public Governance Policy Papers*, No. 3, *https://doi.org/10.1787/4de9f5bb-en*.

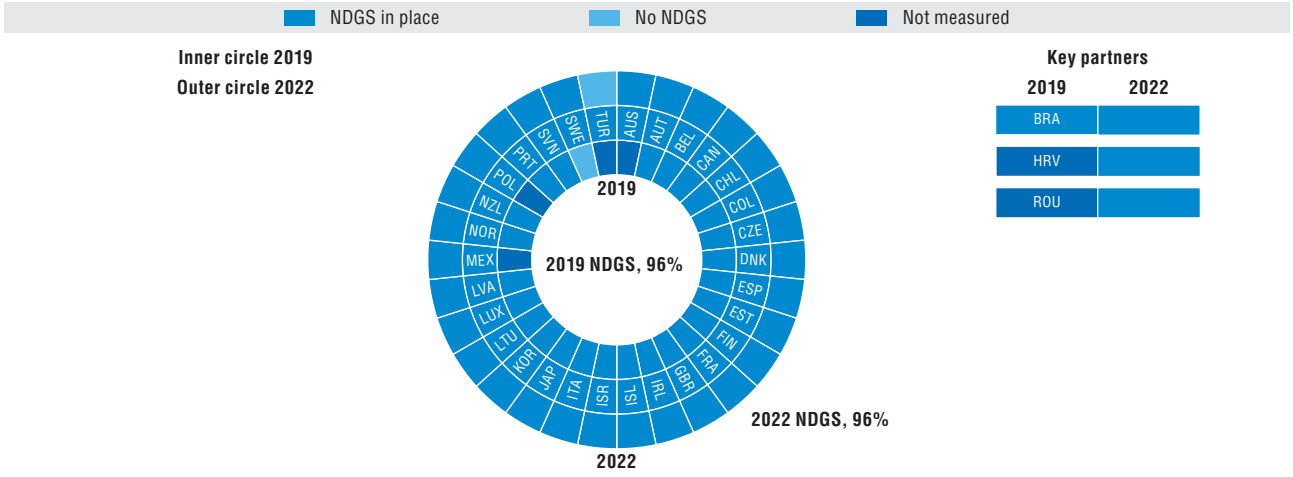
OECD (2014), "Recommendation of the Council on Digital Government Strategies", *OECD Legal Instruments*, OECD, Paris, *https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0406*.

Figure notes

2022 data are not available for Costa Rica, Germany, Greece, Hungary, the Netherlands, the Slovak Republic, Switzerland and the United States.

2019 data are not available for Australia, Costa Rica, Hungary, Mexico, Poland, the Slovak Republic, Switzerland, Türkiye and the United States. For comparison, figures and analyses include the 27 countries that participated in both surveys in 2019 and 2022.

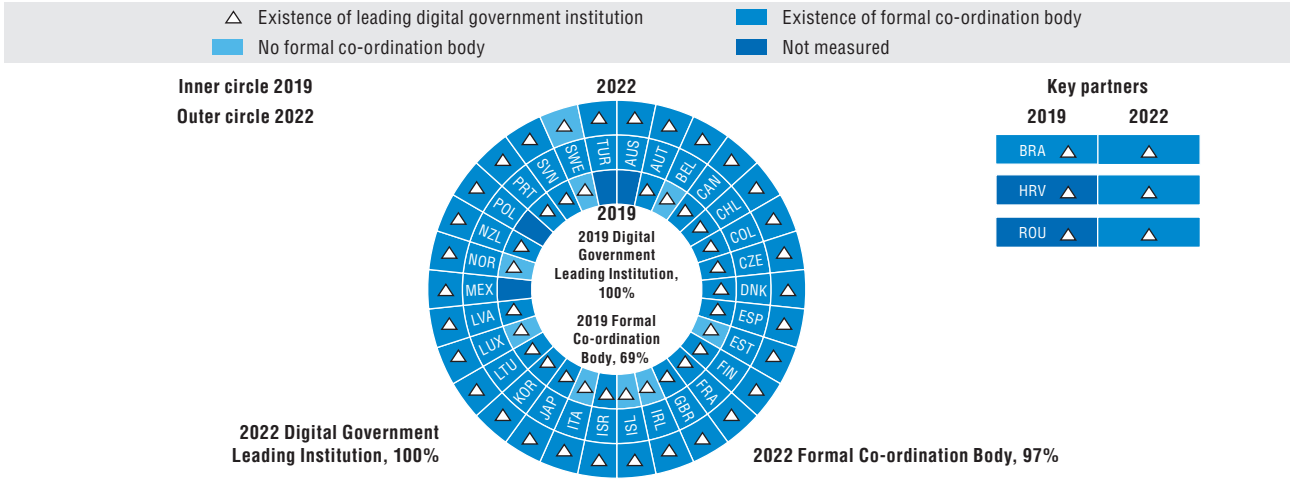
9.1. National digital government strategies, 2019 and 2022



Source: OECD (2022), Survey on Digital Government 2.0.

StatLink https://stat.link/di7n4o

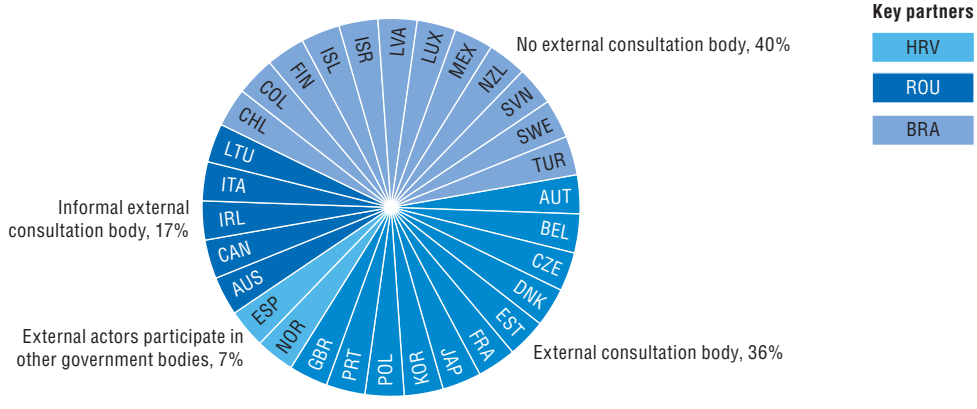
9.2. Institutional structures for the governance of digital government, 2019 and 2022



Source: OECD (2022), Survey on Digital Government 2.0.

StatLink https://stat.link/r3cqw9

9.3. External advisory bodies for digital projects in the public sector, 2022



Source: OECD (2022), Survey on Digital Government 2.0.

StatLink https://stat.link/67fc0x

Leveraging artificial intelligence for proactive delivery of public policies and services

Proactive governments anticipate people's needs and respond to them rapidly, increasing accessibility and satisfaction with public services and reducing administrative burdens. The strategic and ethical adoption of artificial intelligence (AI), such as that promoted by the OECD AI Principles and the OECD Recommendation of the Council on Artificial Intelligence, can help governments achieve this vision.

OECD countries are improving the governance and use of AI in the public sector to deliver proactive public services and improve processes. Most countries with data available (29 out of 30, or 97%) have strategies, agendas or plans for AI that include objectives or actions for its use in the public sector (Figure 9.4).

Alignment and adherence to shared ethical values and principles for the management of algorithms are essential when using AI in the public sector. Building on the OECD AI Principles, the Survey on Digital Government found significant differences in the approaches countries used to ensure the ethical management and use of algorithms by public sector institutions. While 16 out of 30 (53%) countries rely on formal requirements (e.g. laws or regulations) for this purpose, 12 (40%) use policy initiatives such as guidelines, standards or principles. Two (7%) of the surveyed countries did not use any instruments (Figure 9.5).

Implementation and use of AI in the public sector also vary across countries. Twenty-three of the 30 countries surveyed (77%) reported using AI in at least one of three evaluated categories: public sector internal processes, public services design and delivery, and policy making. Looking specifically at each category, 22 out of 30 countries (73%) used AI to improve internal public sector processes. Canada uses robotic process automation to streamline internal processes and make officers' workflows more efficient, for example. The same number had developed AI projects for public service design and delivery. For instance, Finland's AuroraAI recommends public services to end users based on their attributes. In contrast, only a small number of countries (11 out of 30, or 37%) have applied AI to improve policy making, such as Estonia's semi-automatic remote sensing information system for geo-referencing forest resources and improving environmental decision-making capabilities. Only ten countries (33%) are using AI across all three categories while seven (23%) have not developed AI projects in any of the three categories (Figure 9.6).

Methodology and definitions

Data were collected through the OECD Survey on Digital Government 2.0, which was designed to monitor the implementation of the OECD Recommendation of the Council on Digital Government Strategies and assesses countries' shift towards greater levels of maturity to deliver a human-centric and whole-of-government digital transformation of public processes and services. Survey data will be used for the forthcoming second edition of the OECD Digital Government Index.

The data presented in this section correspond to an initial analysis of the information collected through the survey which was launched in November 2022. At the time of writing, responses from 30 OECD countries and 3 accession countries (Brazil, Croatia and Romania) have been analysed. Survey respondents were senior officials in central and federal governments, who were leading and/or implementing digital government reforms, and who gathered data from different parts of the public sector as relevant.

Proactiveness is the principle representing governments and civil servants' ability to anticipate people's needs and respond to them rapidly, so that users do not have to engage with the cumbersome process of data and service delivery (OECD, 2020).

Artificial intelligence refers to a machine-based system that can, for a given set of human-defined objectives, make predictions, recommendations, or decisions influencing real or virtual environments. AI systems are designed to operate with varying levels of autonomy (OECD, 2022).

Further reading

OECD (2022), "OECD AI Principles", *https://oecd.ai/en/ai-principles*.

OECD/CAF (2022), *The Strategic and Responsible Use of Artificial Intelligence in the Public Sector of Latin America and the Caribbean*, OECD Public Governance Reviews, OECD Publishing, Paris, *https://doi.org/10.1787/1f334543-en*.

OECD (2020), "The OECD Digital Government Policy Framework: Six dimensions of a digital government", *OECD Public Governance Policy Papers*, No. 02, OECD Publishing, Paris, *https://doi.org/10.1787/f64fed2a-en*.

OECD (2019), "Recommendation of the Council on Artificial Intelligence", *OECD Legal Instruments*, OECD, Paris, *https://legalinstruments.oecd.org/en/instruments/oecd-legal-0449*.

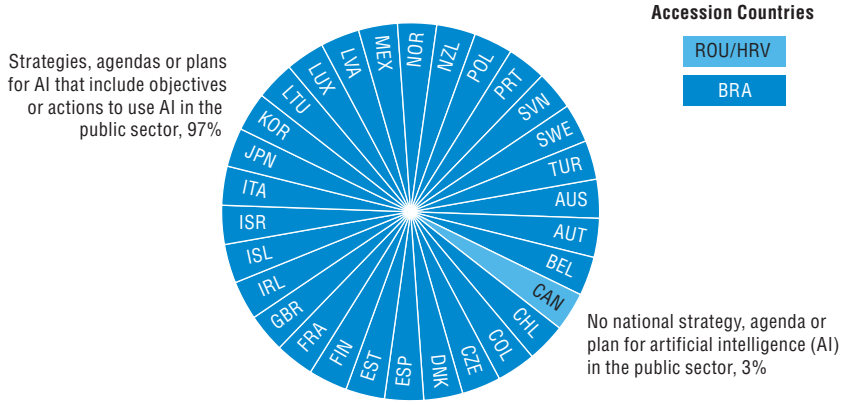
Ubaldi, B., et al. (2019), "State of the art in the use of emerging technologies in the public sector", *OECD Working Papers on Public Governance*, No. 31, OECD Publishing, Paris, *https://doi.org/10.1787/932780bc-en*.

Figure notes

Data are not available for Costa Rica, Germany, Greece, Hungary, the Netherlands, the Slovak Republic, Switzerland and the United States.

9.6. Belgium, the Czech Republic, Ireland, Israel, Japan, Norway and Poland did not present AI projects for the analysed categories.

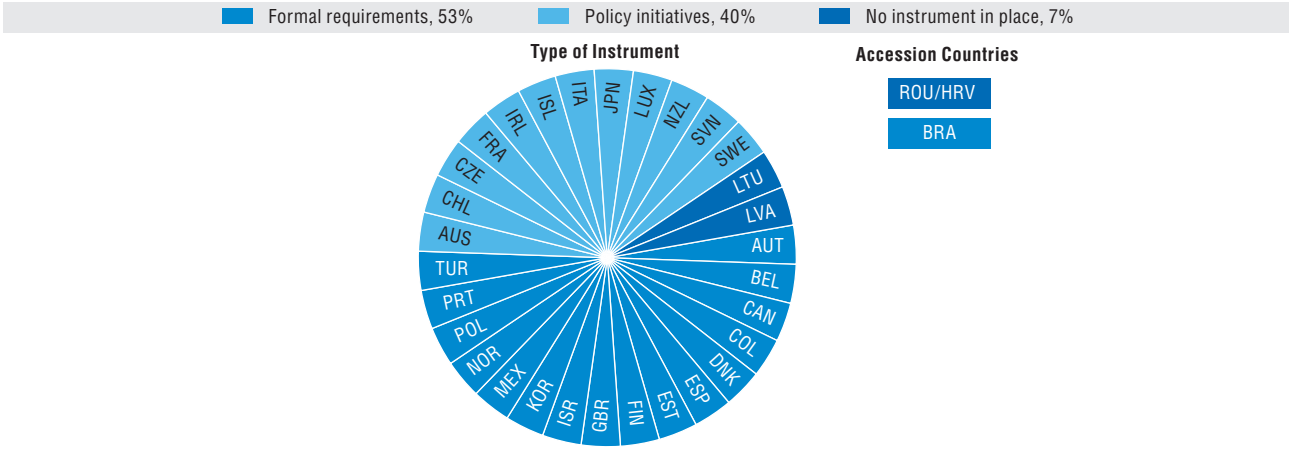
9.4. Availability of a national plan for artificial intelligence in the public sector, 2022



Source: OECD (2022), Survey on Digital Government 2.0.

StatLink https://stat.link/hnso0x

9.5. Instruments used to ensure the ethical use of artificial intelligence, 2022

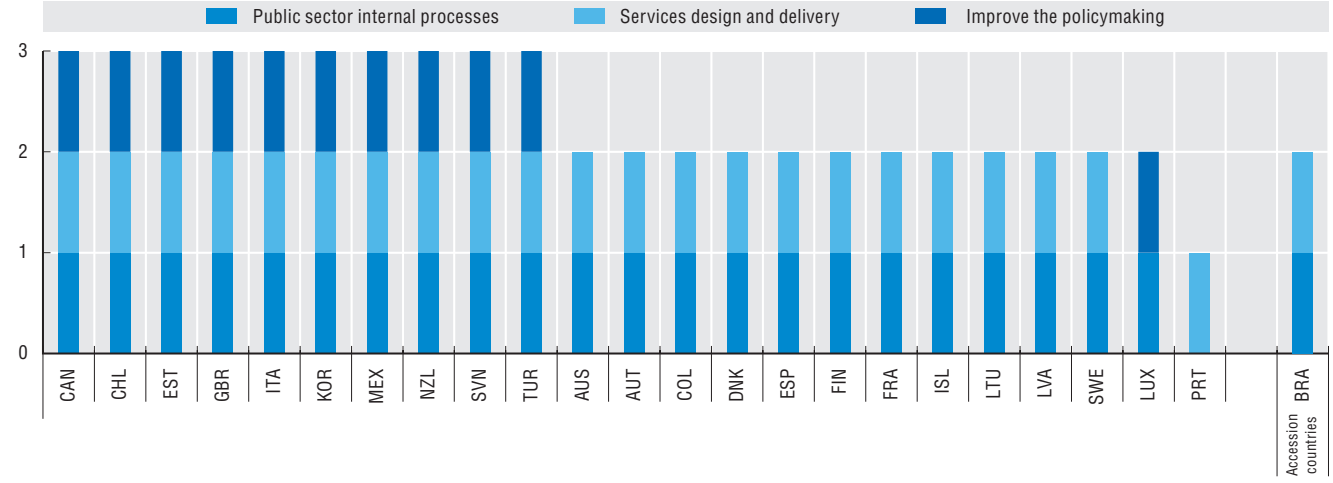


Source: OECD (2022), Survey on Digital Government 2.0.

StatLink https://stat.link/7wi1nr

9.6. Use of artificial intelligence in the public sector, 2022

Existence of at least one AI project in each category



Source: OECD (2022), Survey on Digital Government 2.0.

StatLink https://stat.link/imef87

Open government data for climate action

Access to data generated by governments is fundamental to facilitate data-driven decision making, user-centred service design, and evidenced-based policies. For example, during the COVID-19 pandemic, open government data supported countries' crisis responses, proving that it can contribute to boosting resilience in the face of shocks and emergencies by enabling better communication and services to address new needs. The release of reliable, standardised and timely open data also offers opportunities to improve climate policy making and transparency around climate action, in line with the Paris Agreement's Enhanced Transparency Framework (ETF). It enables stakeholders from across the public, private and third sector to collectively monitor and respond to critical vulnerabilities related to climate change, using information drawn from, for example, open geospatial data, climatological observations, emissions, and pollution levels (Grinspan and Worker, 2020; UNFCCC, 2023).

The existence of a whole-of-government open data strategy or action plan is a critical step to steer public sector organisations in their general work on open government data. In turn, this can eventually help strengthen open data maturity to support climate action. 30 out of 36 OECD countries with data available (83%) have an open government strategy or action plan (Figure 9.7). Sweden and France are examples of countries that explicitly discuss provisions to address climate change in their open data strategy.

Additionally, most OECD countries have identified priority datasets to publish as open data to support climate action: 34 out of 35 OECD countries (97%) have identified a list of datasets to be released as open data for the purpose of monitoring or tackling climate change (Figure 9.8). Across OECD EU member states, the Implementing Regulation (C(2022)9562) to the EU Open Data Directive (2019/1024) defines a list of high-value datasets. The list ensures that the public data with the greatest socio-economic potential are made available free of charge for re-use with minimal legal and technical restrictions. The list includes data relevant to climate change, including habitats and biotopes, greenhouse gas emissions, climate financing, waste plants, and air quality. Other OECD non-EU countries have also defined priority datasets related to climate change for open data release, including Canada, Chile, Colombia and Korea. In Canada, the Directive on Open Government is being updated to clearly identify datasets that can support federal government departments in the timely release of high value data and information. Environmental protection and climate change has been identified as one of these categories. In Korea, the government regularly defines 'National Core Data', which they identify as data of high value and high demand to publish as open data. These currently include data related to climate action, such as air pollution emissions. In New Zealand, key datasets for resilience and climate change are also already available as open data. These datasets include data on population, rivers and land.

Other countries, like Australia, Costa Rica, Japan and Mexico, regularly publish climate-related open data. For example, Australia makes a database of its emissions of each greenhouse gas broken down by year, industry sector and state and territory available as open data through application programming interfaces (APIs).

Methodology and definitions

Data were collected through the OECD Survey on Open Government Data 5.0, which was conducted between May and June 2022. Thirty-six OECD countries and three accession countries (Brazil, Croatia and Romania) participated. Respondents were delegates to the Expert Group on Open Government Data under the OECD Working Party on Senior Digital Government Officials (E-Leaders).

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.

Application programming interfaces (APIs) are interfaces used by information systems to communicate with each other. These interfaces allow automated access to and exchange of data within the limits established by the information system operator.

Further reading

UNFCCC (2023), "Introduction to transparency", United Nations Framework Convention on Climate Change, *https://unfccc.int/Transparency*.

Grinspan, D. and J. Worker (2020), "Implementing open data strategies for climate action: Suggestions and lessons learned for government and civil society stakeholders", *Working Paper*, World Resources Institute, Washington DC, *https://doi.org/10.46830/wriwp.19.00093*.

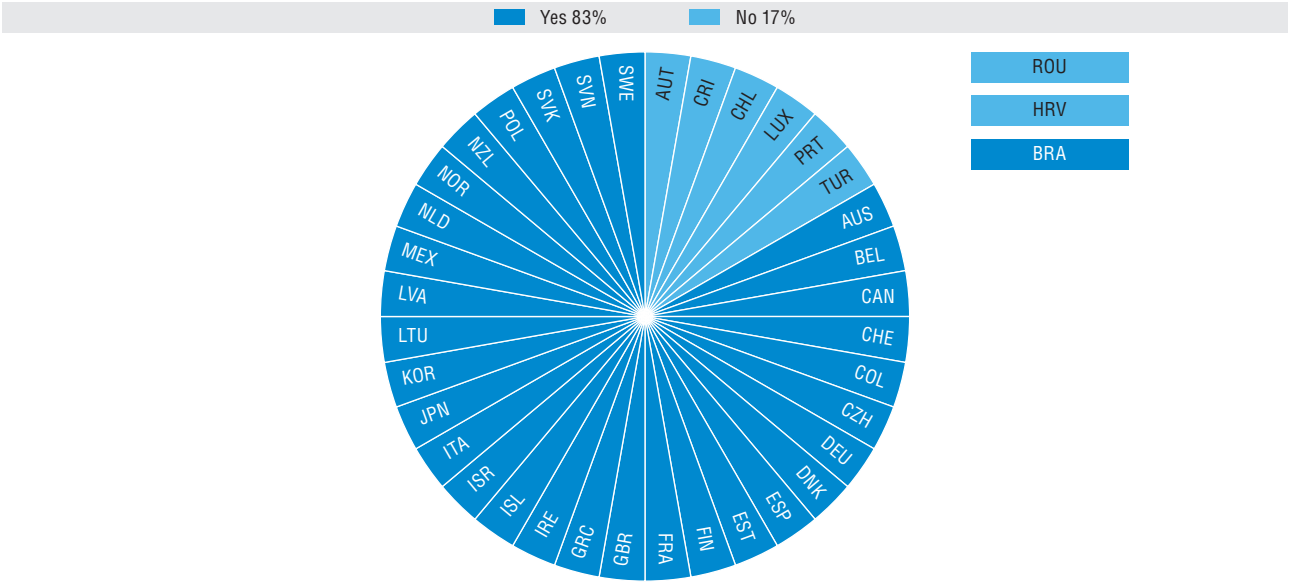
European Union (2019), Directive (EU) 2019/1024 of the European Parliament and of the Council of 20 June 2019 on open data and the re-use of public sector information, *http://data.europa.eu/eli/dir/2019/1024/oj*.

Figure notes

9.7. Data are not available for the United States and Hungary.

9.8. Data are not available for the United Kingdom, the United States and Hungary.

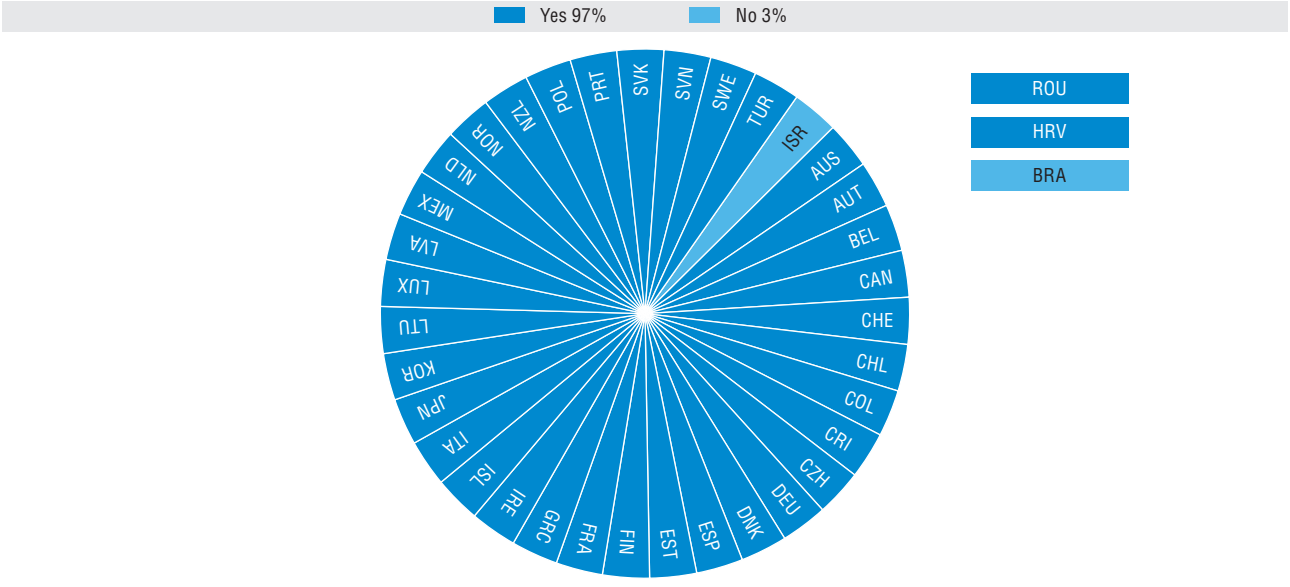
9.7. Availability of an open government data strategy or action plan, 2022



Source: OECD (2022), Survey on Open Government Data 5.0.

StatLink https://stat.link/a27wpx

9.8. Priority datasets identified for open data release to support climate action, 2022



Source: OECD (2022), Survey on Open Government Data 5.0.

StatLink https://stat.link/o9bl76

10. PUBLIC REVENUES AND PRODUCTION COSTS

General government revenues

Structure of general government revenues

Revenues by level of government

General government gross debt

Production costs and outsourcing

General government revenues

Government revenues are government income. The main sources of revenue in OECD countries are typically taxes and social contributions, with some income from charges for services provided by the state. In some countries, revenues may include a significant portion from non-tax sources, such as income from state-owned enterprises or royalties on natural resources. Revenue policy is typically designed to serve multiple purposes. The most fundamental is to collect funds to pay for the provision of goods and services for the public, such as health care and defence. Revenue policies will often also be designed not to worsen inequality, such as by levying higher income taxes on those with larger incomes. Revenue policies can also be used to encourage socially beneficial activities (e.g. tax breaks on research and development) and discourage harmful ones (e.g. taxes on carbon emissions or tobacco). In some cases, these different purposes may conflict with each other.

On average, general government revenues across the OECD were 38.8% of GDP in 2021 (Figure 10.1). Most OECD countries (25 out of 38) collected between 30% and 45% of GDP as government revenues in 2021. However, the range is wide, from 58.9% of GDP in Norway to 23.0% in Mexico. On average across the OECD, revenues as a percentage of GDP were very stable during the period 2007-19, always remaining between 35% and 38% of GDP (Figure 10.2). There was a slight increase during the COVID-19 pandemic with revenues rising to 38.2% of GDP in 2020 and 38.8% in 2021. This change does not indicate that taxes were raised during the pandemic, but rather that GDP fell sharply. In fact, as incomes and profits fell during the pandemic, so did the amount of taxes owed by many individuals and businesses. However, the aggregate figures do obscure significant changes in revenue as a percentage of GDP in some countries between 2019 and 2020. For example, there was a substantive decreases in Greece, and a substantive increase in Mexico (OECD, 2022).

General government revenues per capita vary widely across the OECD (Figure 10.2). This is partially driven by differences in income per capita among OECD members. The three OECD countries with the lowest government revenues per capita (Chile, Colombia and Mexico) are also among those with the lowest income per capita. The two OECD countries with the highest government revenues per capita (Luxembourg and Norway) are among those with the highest income per capita. Between these extremes, variation is also driven by policy choices. For example, the United States, which ranked 5th among OECD countries in income per capita in 2021, ranked 16th in revenues per capita. This partly reflects policy decisions to set relatively lower tax rates and/or have narrower tax bases than in many OECD countries. Notably, as countries have exited the COVID-19 pandemic, per capita revenue has increased. Revenues per capita were higher in 2022 than in 2021 in every country for which data are available. Between 2021 and 2022 the real increase was 2.4% on average in OECD-EU countries (see Online Figure G.5.1).

Methodology and definitions

Revenues data are derived from the *OECD National Account Statistics* (database), which is based on the *System of National Accounts* (SNA). The SNA provides a set of internationally agreed concepts, classifications, definitions and rules for national accounting. The 2008 SNA framework has been implemented by all OECD countries (see Annex C for details on reporting systems and sources). In SNA terminology, general government is composed of central government, state government, local government, and social security funds. Revenues include taxes, net social contributions and grants and other revenues. Gross domestic product (GDP) is the standard measure of the value of goods and services produced by a country during a period. Government revenues per capita were calculated by converting total revenues to USD using the OECD/Eurostat purchasing power parity (PPP) for GDP and dividing them by the population of the country. PPP is the number of units of country B's currency needed to purchase the same quantity of goods and services in country A.

Further reading

OECD (2022), *Tax Policy Reforms 2022: OECD and Selected Partner Economies*, OECD Publishing, Paris, *https://doi.org/10.1787/067c593d-en*.

Akgun, O., D. Bartolini and B. Cournède (2017), "The capacity of governments to raise taxes", *OECD Economics Department Working Papers*, No. 1407, OECD Publishing, Paris, *https://doi.org/10.1787/6bee2df9-en*.

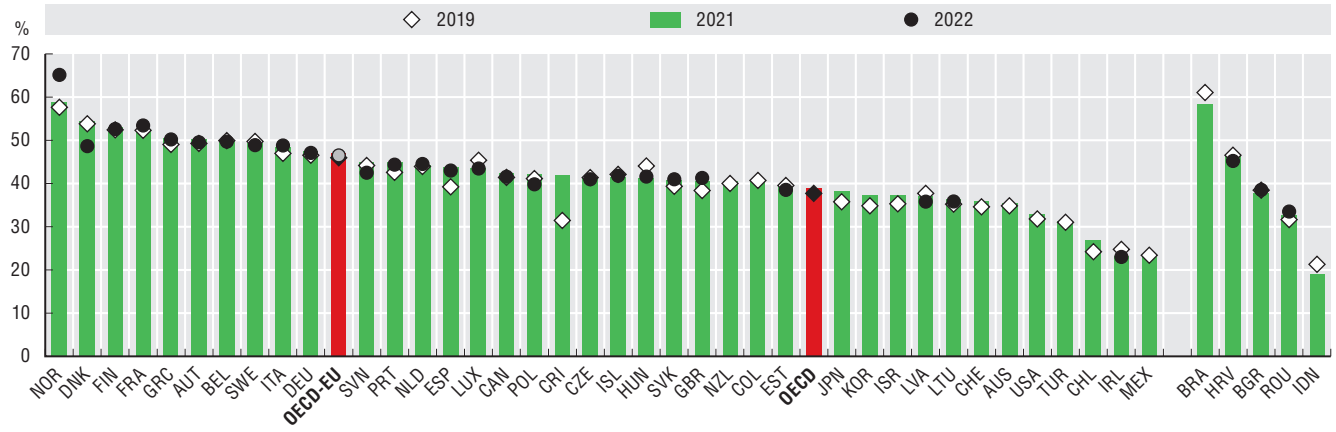
Figure notes

Data for Chile and Türkiye are not included in the OECD average.

10.1 and 10.3. Data for Türkiye, Brazil and Indonesia are for 2020 rather than 2021.

G.5.1 (Annual growth rate of real government revenues per capita, 2019-20, 2020-21 and 2021-22) is available online in Annex G.

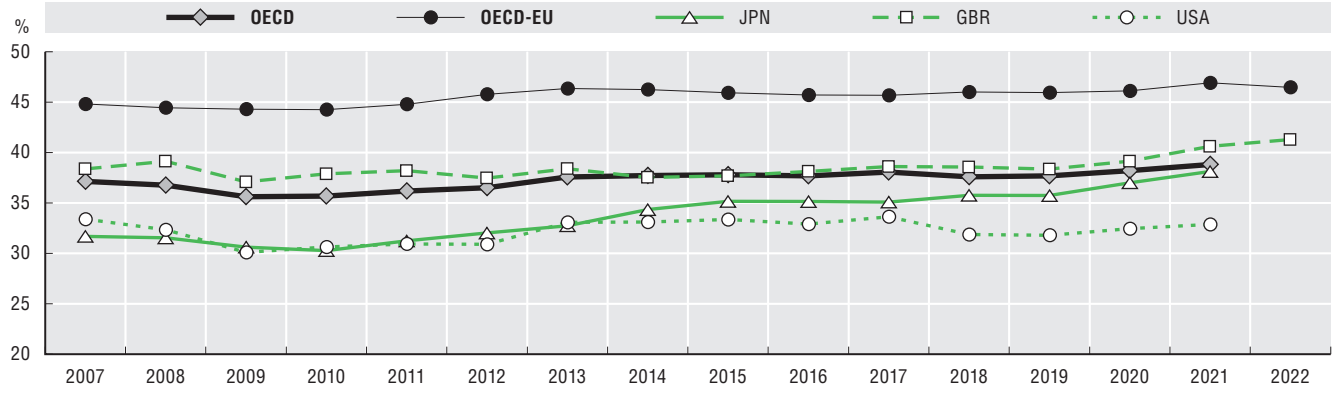
10.1. General government revenues as a percentage of GDP, 2019, 2021 and 2022



Source: OECD National Accounts Statistics (database).

StatLink https://stat.link/rg6pm0

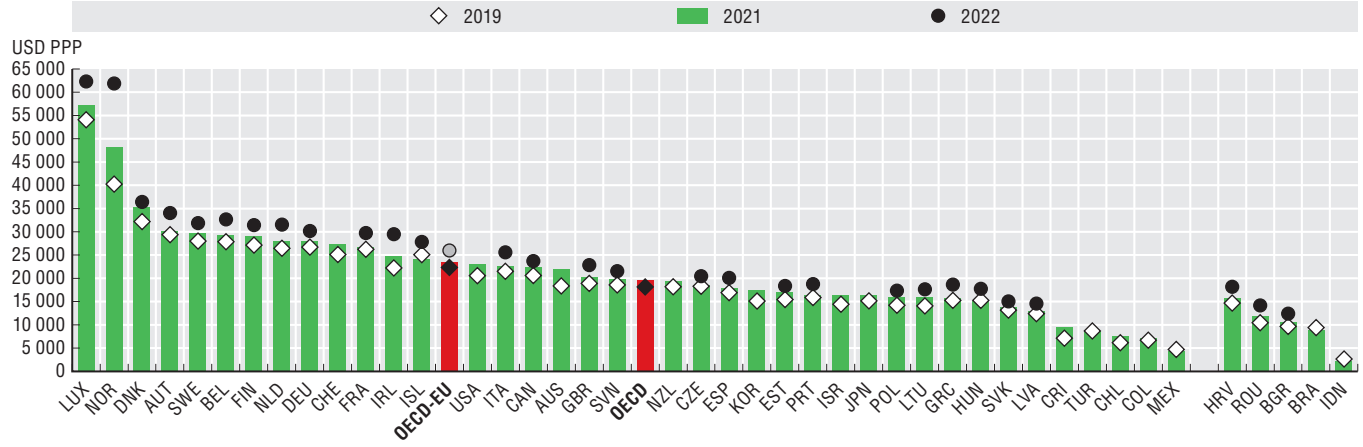
10.2. General government revenues as a percentage of GDP, OECD and largest OECD economies, 2007 to 2022



Source: OECD National Accounts Statistics (database).

StatLink https://stat.link/0873yt

10.3. General government revenues per capita, 2019, 2021 and 2022



Source: OECD National Accounts Statistics (database).

StatLink https://stat.link/ytsdip

Structure of general government revenues

The structure of government revenues shows the sources from which governments collect their revenues, and how these change over time. Taxes are the most significant source of government revenues in all OECD countries (Figure 10.4). In 2021, the most recent year for which data are available for all countries, 60.6% of revenues in OECD countries were raised through taxes. In most OECD countries, taxes accounted for more than 50% of total government revenues. However, there was still a wide variation in their relative importance. The countries raising the highest share of revenues from taxes in 2021 were Denmark (88.5%) and New Zealand (82.8%), while Costa Rica had the lowest share (40.5%). The second most important source of revenues for OECD governments is social contributions, that is, payments into social insurance schemes. On average, these formed 24.7% of government revenues in OECD countries in 2021. Most countries which collected a relatively low share of their revenues from tax instead collected a relatively high share from social contributions, for example the Czech Republic (40.0% of revenues from social contributions) and the Slovak Republic (38.8%). OECD countries also collect a small proportion of their revenues from sales of goods and services (7.9% on average) and from grants and other sources (6.8%).

The structure of government revenues altered notably during the COVID-19 pandemic (Figure 10.5). In 35 out of 37 countries the proportion collected from sales of goods and services fell. On average, this fell by 0.5 percentage points across the OECD between 2019 and 2021. This suggests that many countries may have cut or removed fees for some public services during the COVID-19 pandemic. Most countries also saw a fall in the share of revenue from social contributions (by 0.6 p.p.) and grants and other sources (0.1 p.p.). Balancing this, 27 out of 37 governments collected an increased share of revenues from taxes. On average across the OECD, this rose by 1.2 p.p. between 2019 and 2021, with the largest increase in Norway (4.9 p.p.). Costa Rica was an exception to this general pattern, with a very large increase (20.4 p.p.) in the proportion of its revenues coming from grants and other revenues during the COVID-19 pandemic.

Government tax revenues typically come from three main sources: taxes on income and profits (33.8% of government revenue on average across the OECD), taxes on goods and services (32.1%), and social security contributions (26.7%) (Figure 10.6). These three sources account for at least 80% of tax revenue in every OECD country, although the specific mix varies. Denmark has the largest share of revenue from taxes on income and profits (64.7%) and one of the smallest from social security contributions (0.1%). In contrast, Slovenia has the second highest share from social security contributions (45.2%) and among the lowest from taxes on incomes and profits (19.4%).

Methodology and definitions

Data on revenues are computed from the *OECD National Accounts Statistics* (database), which are based on the *System of National Accounts* (SNA). The 2008 SNA framework has been implemented by all OECD countries (see Annex C). Revenues include taxes (e.g. on consumption, income, wealth, property and capital), net social contributions (i.e. contributions for pensions, health and social security after deduction of social insurance scheme service charges, where applicable), sales of goods and services (e.g. market output of government establishments, entrance fees), and grants and other sources (e.g. current and capital grants, property income, and subsidies). These aggregates were constructed using sub-account items (see Annex D). The data in Figure 10.6 come from *OECD Revenue Statistics*. The definitions of tax revenues differ between SNA and OECD Revenue Statistics, especially regarding compulsory social security contributions. In SNA, taxes are mandatory unrequited payments, in cash or in kind, made by institutional units to the government. Net social contributions are actual or imputed payments to social insurance schemes to make provision for social benefits to be paid. These may be compulsory or voluntary and funded or unfunded. OECD Revenue Statistics treat compulsory social security contributions as taxes, whereas the SNA considers them net social contributions because the receipt of social security benefits depends, in most countries, upon appropriate contributions having been made, even though the size of the benefit is not necessarily related to the amount of the contributions.

Further reading

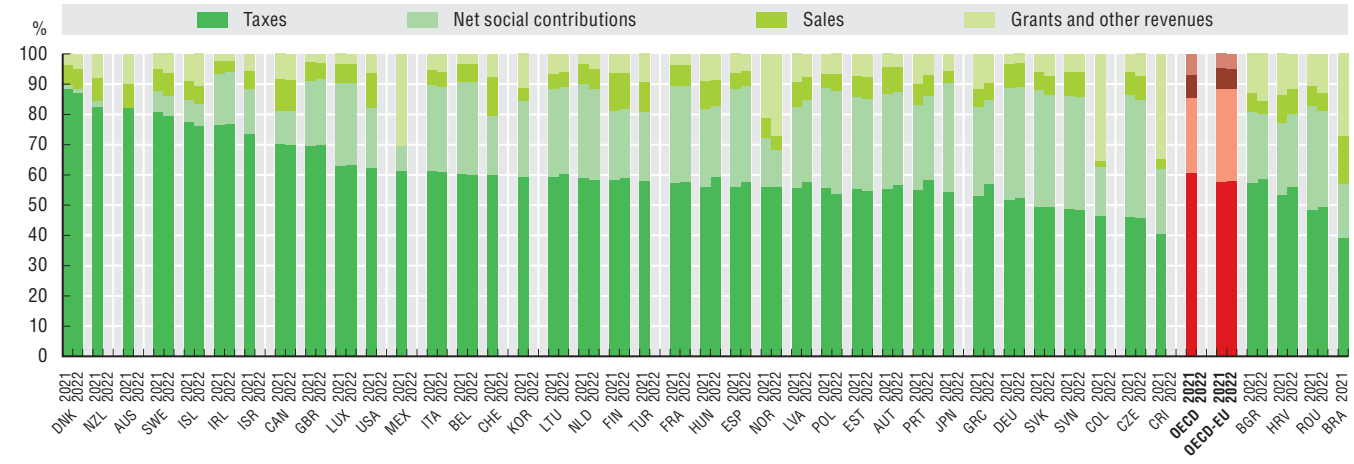
OECD (2022), *Tax Policy Reforms 2022: OECD and Selected Partner Economies*, OECD Publishing, Paris, *https://doi.org/10.1787/067c593d-en*.

Figure notes

10.4 and 10.5. Data for Chile are not available. Data for Türkiye are not included in the OECD average. Australia does not collect revenues via social contributions because it does not operate government social insurance schemes. Data for Türkiye and Brazil are for 2020 rather than 2021.

10.6. For the OECD-EU countries, total taxation includes custom duties collected on behalf of the EU. 2020 is the latest available year for which data are available for all OECD countries. "OECD" presents the unweighted average across countries.

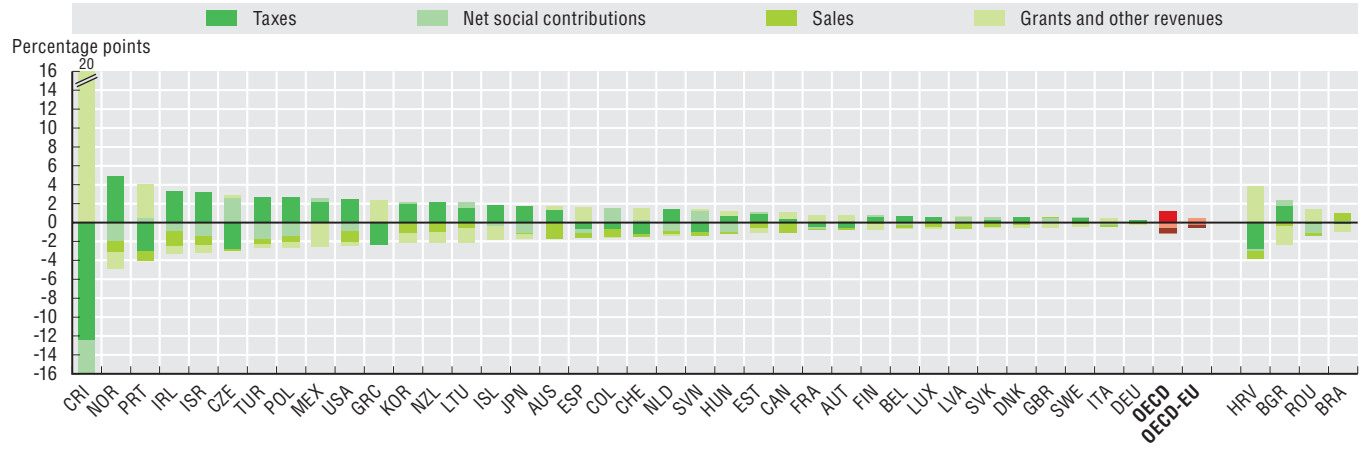
10.4. Structure of general government revenues, 2021 and 2022



Source: OECD National Accounts Statistics (database).

StatLink https://stat.link/85gpqe

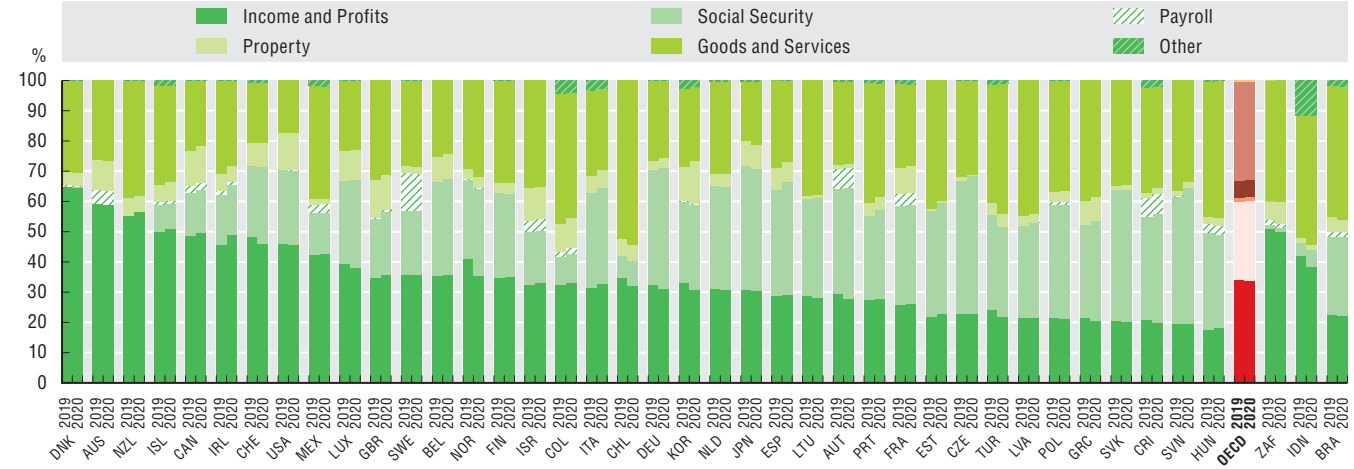
10.5. Change in the structure of general government revenues, 2019-21



Source: OECD National Accounts Statistics (database).

StatLink https://stat.link/xvgdun

10.6. Breakdown of tax revenues as a percentage of total taxation, 2019 and 2020



Source: OECD National Accounts Statistics (database).

StatLink https://stat.link/mg5o7c

Revenues by level of government

Government revenues are collected by each of the different levels of government which exist in a country: central, state and local. On average across the OECD in 2021, central government collected 52.6% of general government revenues, state governments collected 19.5%, local governments 10.2% and social security funds 17.6% (Figure 10.7). However, there is very wide variation around these averages, and different OECD countries have very different funding structures across the different levels of government. The most important difference is whether government is unitary or federal. In countries with unitary governments, central government often collects a high proportion of government revenue. This is the case in the United Kingdom, which had the highest proportion of tax revenue collected by central government in 2021 (91.2%), and also in countries such as New Zealand (89.2%) and Ireland (84.6%). In contrast, in countries with federal systems, state governments often collect a significant proportion of revenues. Canada (43.6%) and the United States (42.4%) had the highest proportion of revenues collected by state governments among OECD countries in 2021. Local governments typically collect a smaller proportion of revenues than central and state governments. However, local governments in some countries collect a substantial proportion of revenues, for example Korea (35.9%) and Sweden (35.0%). This may occur where local government is responsible for managing and delivering important public services. This is the case in Sweden, and also in Finland (29.1%), where until recently local government had substantial responsibility for delivering health care and emergency services.

Tax revenues have become somewhat more centralised in recent years (Figure 10.8). On average across the OECD, the proportion of revenues collected by central governments increased by 1 percentage point between 2019 and 2021. The share of revenues collected by central government increased in 25 out of 37 countries for which data are available. The largest increases were in Costa Rica (3.8 p.p.) and Poland (2.8 p.p.). Offsetting this, the share of revenues collected by social security funds fell by 0.6 p.p and the share collected by local governments by 0.4 p.p.. The trend of collecting a smaller proportion of revenue via local government was widespread. In 29 out of 37 OECD countries, the share of revenues collected by local government fell, with the greatest falls occurring in Chile (2.5 p.p.) and Latvia (1.8 p.p.).

Methodology and definitions

Data are from the *OECD National Accounts Statistics* (database) based on the *System of National Accounts* (SNA), a set of internationally agreed concepts, definitions, classifications and rules for national accounting. The 2008 SNA framework has been implemented by all OECD countries (see Annex C). In SNA terminology, general government consists of central, state and local governments, and social security funds. State government only applies to the nine OECD countries that are federal states: Australia, Austria, Belgium, Canada, Germany, Mexico, Spain (deemed a quasi-federal country), Switzerland and the United States. Data exclude transfers between levels of government except in Australia, Chile, Costa Rica, Korea, Türkiye and Indonesia. This is in order to see each sub-sector's contribution to general government total revenues, which are consolidated at this level. Revenues include taxes (e.g. on consumption, income, wealth, property and capital), net social contributions (i.e. contributions for pensions, health and social security), sales of goods and services (e.g. market output of government establishments), and grants and other sources (e.g. current and capital grants, property income, and subsidies).

Further reading

OECD (2022), *Tax Policy Reforms 2022: OECD and Selected Partner Economies*, OECD Publishing, Paris, *https://doi.org/10.1787/067c593d-en*.

OECD (2022), *2022 Synthesis Report World Observatory on Subnational Government Finance and Investment*, OECD Publishing, Paris, *doi.org/10.1787/b80a8cdb-en*.

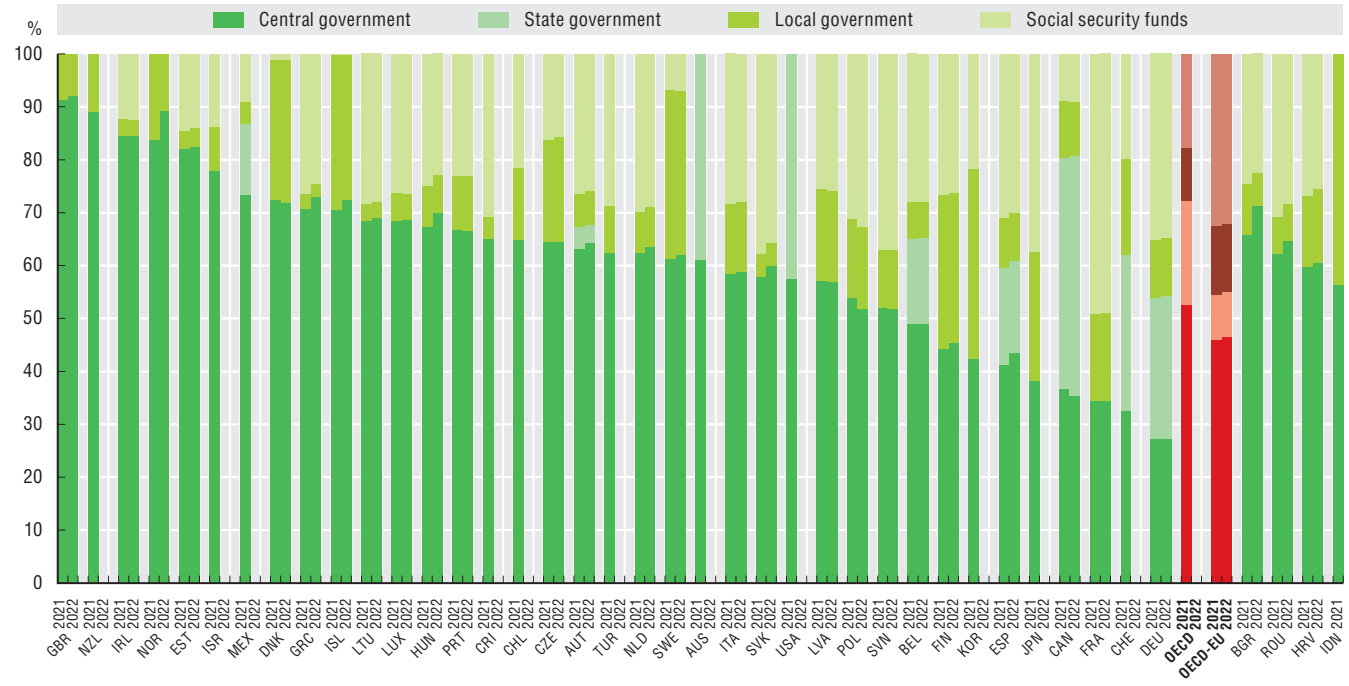
Figure notes

Data for Colombia are not available. Data for Chile and Türkiye are not included in the OECD average. For Japan data for sub-sectors of general government refer to fiscal years. Local government is included in state government for Australia and the United States. Australia does not operate government social insurance schemes. Social security funds are included in central government for New Zealand, Norway, the United Kingdom and the United States.

10.7. Flows between levels of government are excluded (apart from Australia, Chile, Costa Rica, Korea, Türkiye and Indonesia). Data for Türkiye and Indonesia refer to 2020 rather than 2021.

10.8. Flows between levels of government are excluded (apart from Australia, Chile, Costa Rica, Korea and Türkiye). Data for Türkiye refer to 2020 rather than 2021.

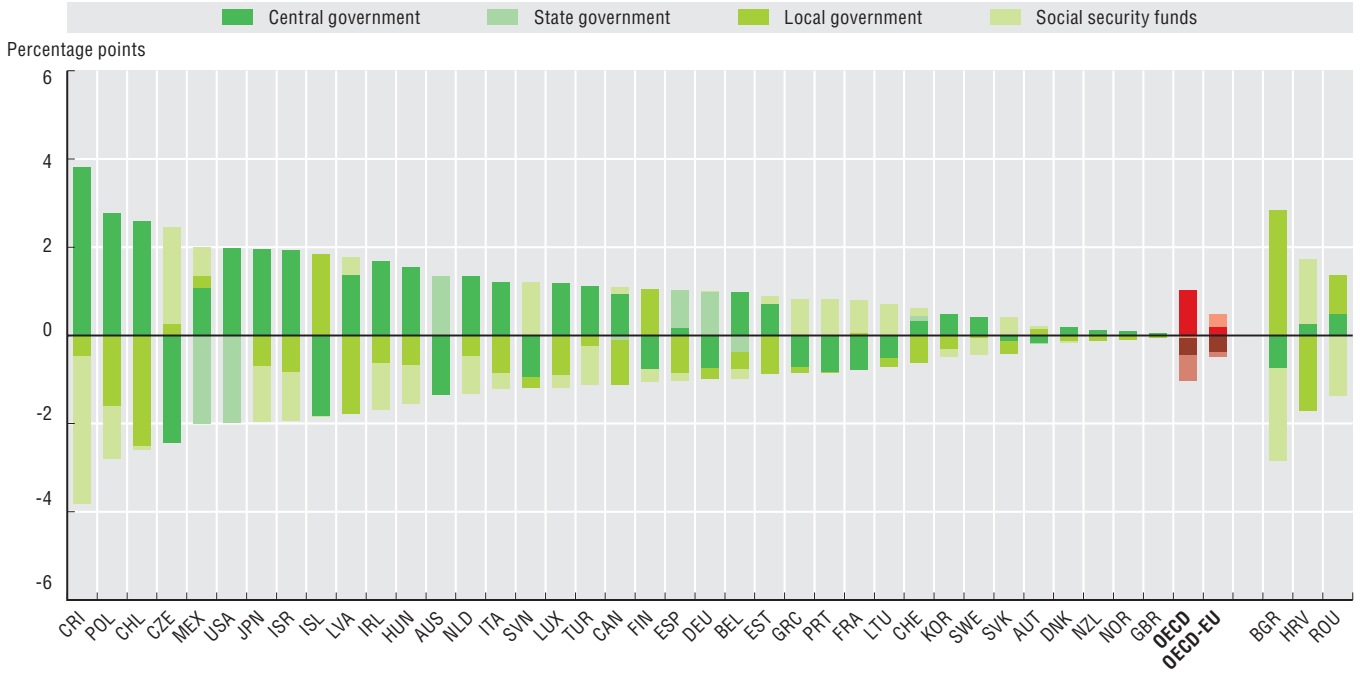
10.7. Distribution of general government revenues across levels of government, 2021 and 2022



Source: OECD National Accounts Statistics (database).

StatLink https://stat.link/tbrhfk

10.8. Change in the distribution of general government revenues across levels of government, 2019 to 2021



Source: OECD National Accounts Statistics (database).

StatLink https://stat.link/y03qw2

General government gross debt

Governments accumulate debt to finance expenditures greater than their revenues. Government debt can be raised to finance current expenditures or invest in physical capital, but it comes at a cost in the form of interest payments and should be based on the objective appraisal of economic capacity gaps, infrastructural development needs and sectoral/social priorities as well as a prudent assessment of costs and benefits. As a result of the COVID-19 pandemic, many OECD countries increased spending through stimulus packages and interventions to support households and businesses, thereby incurring public debt.

Government debt reached on average 121% of GDP across OECD countries in 2021 (Figure 10.9). Between 2019 and 2021 average debt levels as a share of GDP increased by 14.1 percentage points. Debt levels increased in 36 out of 37 OECD countries with available information. The only exception was Ireland, where public debt fell by 3.2 p.p. During the COVID-19 pandemic, Ireland's fiscal policy had enough room to react to the crisis forcefully and although spending rose, strong revenue growth, including from excess corporate tax receipts, meant budget balances did not deteriorate as much as elsewhere in the OECD (OECD, 2022).

Between 2007 and 2021, with some corrections for specific years, the average trend in OECD countries and the largest economies has been for public debt to steadily increase, with spikes in 2009 following the global financial crisis (12.3 p.p. increase over 2008), and in 2020 during the COVID-19 pandemic (20 p.p. increase over 2019). Since 2021, debt levels have generally fallen in the OECD-EU countries and the United States (Figure 10.10). While the economic outlook shows some positive signs, the recovery remains fragile (OECD, 2023).

Per capita gross debt reached on average USD 64 845 PPP in 2021 (Figure 10.11). Most government gross debt across OECD countries in 2021 is held in debt securities, which account for 83.8% of all public debt on average, ranging from 92% in the United States to 22.8% in Greece. Loans account for 7.4% on average across OECD countries, but make up a much larger part of the liability in countries like Greece (68%), Norway (54.7%) and Estonia (45.7%) (see Online Figure G.5.2).

Methodology and definitions

Data are derived from the *OECD National Accounts Statistics* (database) and the *Eurostat Government Finance Statistics* (database), which are based on the *System of National Accounts* (SNA). The 2008 SNA framework has been implemented by all OECD countries (see Annex C). Debt is defined as a specific subset of liabilities identified according to the types of financial instruments included or excluded. Generally, it is defined as all liabilities that require payment or payments of interest or principal by the debtor to the creditor at a date or dates in the future. All debt instruments are liabilities but some liabilities, such as shares, equity, and financial derivatives, are not debt. Debt is thus the sum of the following liability categories, whenever available/applicable in the financial balance sheet of the general government sector: currency and deposits, debt securities, loans, and other liabilities (i.e. insurance, pension and standardised guarantee schemes, other accounts payable and, in some cases, special drawing rights). According to the SNA, most debt instruments are valued at market prices, when appropriate (although some countries might not apply this valuation, particularly for debt securities). Countries' treatment of government liabilities in respect of their employee pension plans varies, making international comparability difficult. Some OECD countries, such as Australia, Canada, Colombia, Iceland, New Zealand, Sweden and the United States, record employment-related pension liabilities, funded or unfunded, in government debt data. For those countries, the government debt ratio is adjusted by excluding these unfunded pension liabilities (see the StatLinks for more information). Government debt here is recorded on a gross basis, not adjusted by the value of government-held assets. The SNA debt definition used here differs from the definition applied under the Maastricht Treaty, which is used to assess EU fiscal positions (Online Figure G.5.4 in Annex G). For information on the calculation of government debt per capita, see General government revenues.

Further reading

OECD (2023), *OECD Economic Outlook, Interim Report March 2023: A Fragile Recovery*, OECD Publishing, Paris, *https://doi.org/10.1787/d14d49eb-en*.

OECD (2022), *OECD Economic Surveys: Ireland 2022*, OECD Publishing, Paris, *https://doi.org/10.1787/46a6ea85-en*.

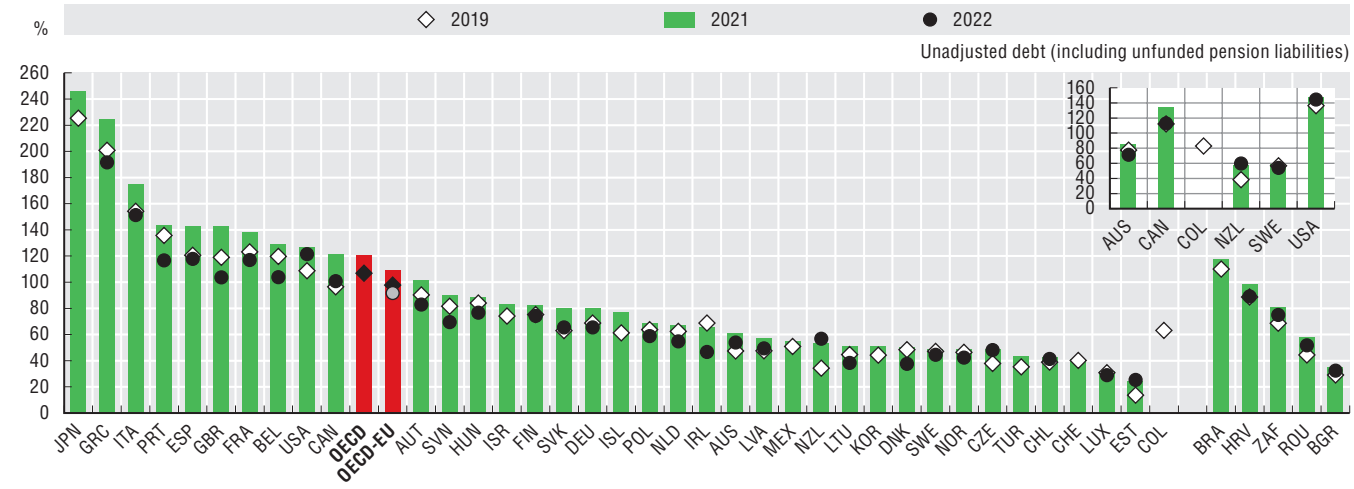
Figure notes

Data for Australia, Canada, Colombia, Iceland, New Zealand, Sweden and the United States are reported on an adjusted basis (i.e. excluding unfunded pension liabilities). Data for Colombia and Mexico are not included in the OECD average.

10.9 and 10.11. Data for Costa Rica are not available. Data for 2019 and 2021 for Iceland are based on OECD estimates. Data for Brazil are for 2020 rather than 2021.

G.5.2 (Structure of government gross debt by financial instruments, 2021 and 2022) and G.5.3 (Annual growth rate of real government debt per capita, 2019-20, 2020-21 and 2021-22) are available online in Annex G.

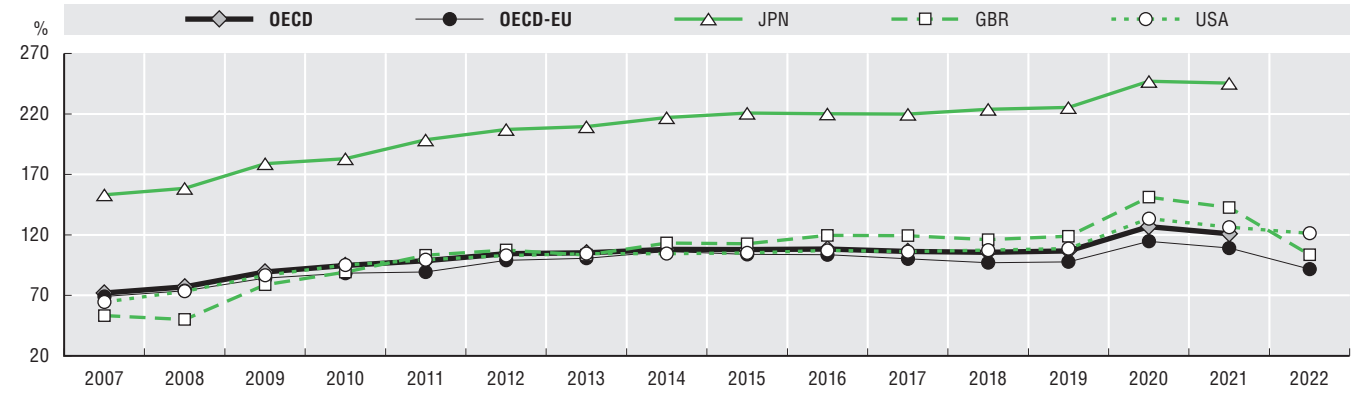
10.9. General government gross debt as a percentage of GDP, 2019, 2021 and 2022



Source: OECD National Accounts Statistics (database).

StatLink https://stat.link/2tqxfa

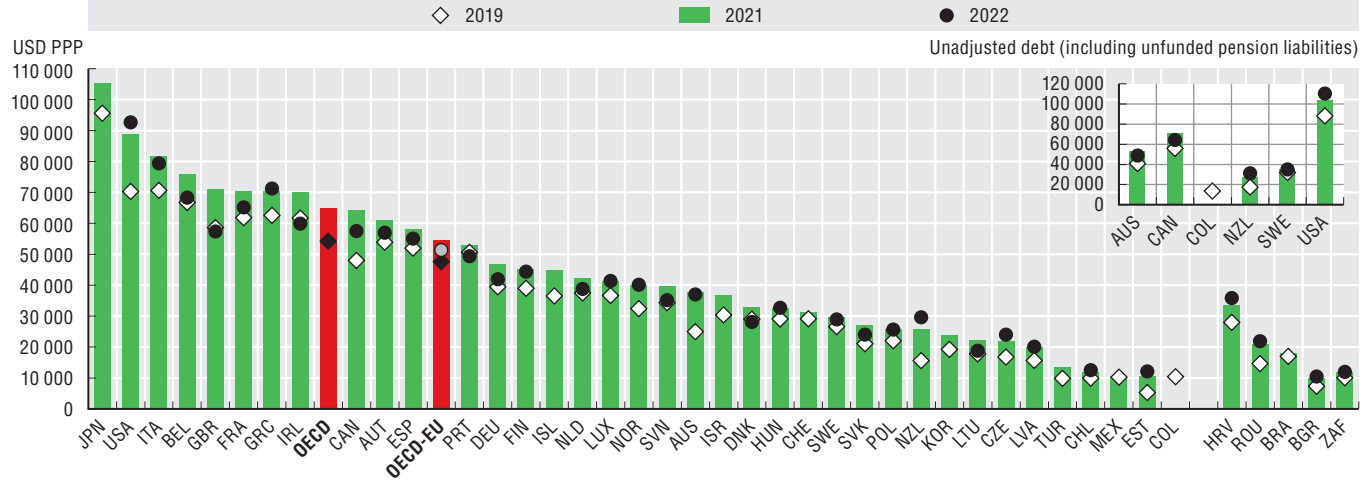
10.10. General government gross debt as a percentage of GDP, OECD and largest OECD economies, 2007 to 2022



Source: OECD National Accounts Statistics (database).

StatLink https://stat.link/zu5ic9

10.11. General government gross debt per capita, 2019, 2021 and 2022



Source: OECD National Accounts Statistics (database).

StatLink https://stat.link/v5lupm

Production costs and outsourcing

The production costs of government are public expenditures on the goods and services which government uses. These costs include compensation for government employees (i.e. wages) and purchases of goods and services (e.g. supplies for schools and hospitals). They do not include government spending that does not involve a purchase of a good or service (e.g. spending on social welfare, unemployment benefits and other transfers). Outsourcing is the portion of government production costs which is used to buy goods and service from entities outside of government, i.e. government purchases from private companies and other agencies.

Government production costs averaged 21.6% of GDP across OECD members in 2021 (Figure 10.12). Finland (31.1%) Iceland (30.3%) and Sweden (29.5%) – all Scandinavian countries – spent the largest proportion of GDP on production costs among OECD countries. This reflects both their widespread provision of publicly funded services and their relatively high costs. Mexico (11.8%), Colombia (16.8%) and Chile (16.8%) spent the lowest proportion of GDP on production costs. Government production costs fell in 25 out of 27 countries for which data are available in 2022, by an average of 1.1% of GDP. This fall may be because some public services delivered in response to the COVID-19 pandemic were no longer needed, or because of increasing GDP as countries recovered, or both.

The structure of production costs varies somewhat across OECD countries (Figure 10.13). Average spending on compensation of government employees was 43.2% of total production costs. Most OECD countries (28 out of 37) spent between 40% and 55% of their total production costs on this area. Two countries spent substantially more than average on compensation: Mexico (72.7%) and Costa Rica (70.9%). The countries with the lowest share of spending on compensation were Japan (23.5%) and the Netherlands (29.4%). Wage expenditures are not necessarily related to structure of government. For example, Ireland (47.1%) and Canada (48.8%) spent very similar shares on compensation, even though Ireland has a unitary and centralised government and Canada a federal system. Average spending on purchases of goods and services was 44.1% of total production costs. Most OECD countries (24 out of 37) spent between 30% and 45% of their total production costs in this area.

On average, governments spent 9.5% of GDP on outsourced expenditure in 2021 (Figure 10.14). Of this, 6.2% of GDP was spent on paying non-government actors to provide goods and services used directly by the government. 3.3% of GDP was spent on goods and services provided to the public by non-government contractors, but financed by government. These might include health care, housing, transport and education. In 22 of 27 countries where data are available, outsourcing costs fell notably in 2022, by an average of 0.3% of GDP. Different expenditure structures may reflect differing national decisions as to whether goods and services are provided directly by government or instead outsourced. For example, while both governments are of similar sizes as a share of GDP, the Netherlands spends much more on financing goods and services provided to the public by outsourced contractors (10.5% of GDP) than does Denmark (1.2% of GDP) (Figure 10.14). Mirroring this, Denmark spends a much greater proportion of production costs on compensation for government employees (53.7%) than the Netherlands (29.4%) (Figure 10.13).

Methodology and definitions

The concept and methodology of production costs builds on the classification of government expenditures in the *System of National Accounts* (SNA). The 2008 SNA framework has been implemented by all OECD countries (see Annex C for details). Government production costs include: Compensation costs of government employees including cash and in-kind remuneration plus all mandatory employer (and imputed) contributions to social insurance and voluntary contributions paid on behalf of employees. Goods and services used by government, which are the first component of government outsourcing. In SNA terms, this includes intermediate consumption (procurement of intermediate products required for government production). Goods and services financed by government, which are the second component of government outsourcing. In SNA terms, this includes social transfers in kind via market producers paid for by government. Other production costs, which include the remaining components of consumption of fixed capital (depreciation of capital) and other taxes on production fewer other subsidies on production. The data include government employment and intermediate consumption for output produced by the government for its own use. The production costs presented here are not equal to the value of output in the SNA.

Further reading

OECD (2022), *OECD Economic Surveys: Finland 2022*, OECD Publishing, Paris, *https://doi.org/10.1787/516252a7-en*.

OECD (2022), *OECD Economic Surveys: Mexico 2022*, OECD Publishing, Paris, *https://doi.org/10.1787/2e1de26c-en*.

Figure notes

Data for Türkiye are not included in the OECD average.

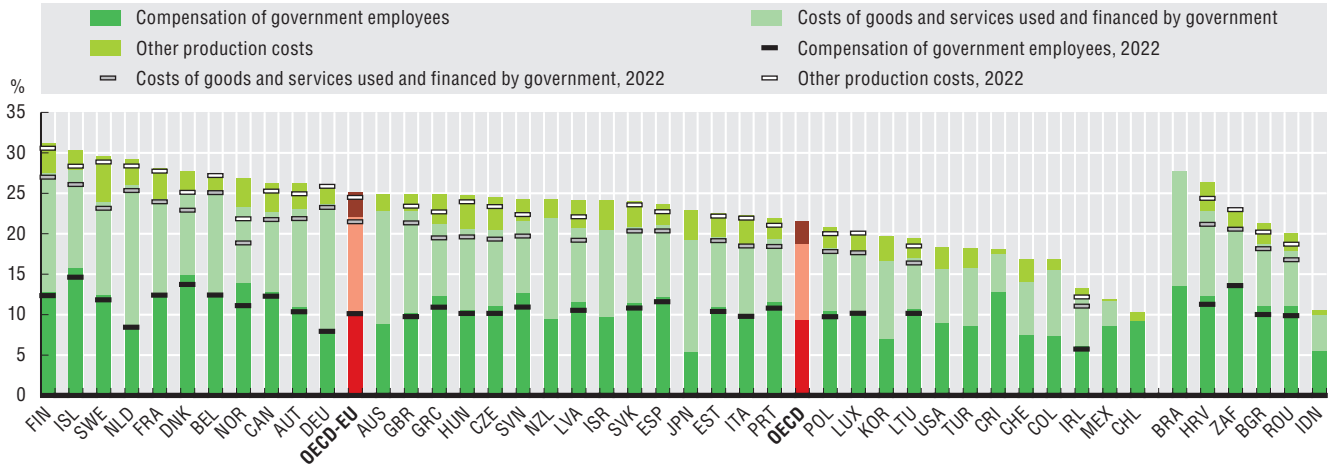
10.12. Data for Chile are not included in the OECD average. Data for Türkiye, Brazil and Indonesia are for 2020 rather than 2021.

10.13. Data for Chile are not available. Data for Türkiye and Indonesia are for 2020 rather than 2021.

10.14. Data for Chile are not available. Mexico, the United States, Indonesia and South Africa do not account separately for goods and services financed by general government in their national accounts. Data for Türkiye, Brazil and Indonesia are for 2020 rather than 2021.

G.5.5 (Structure of general government outsourcing expenditures, 2021) is available online in Annex G.

10.12. Production costs as a percentage of GDP, 2021 and 2022



Source: OECD National Accounts Statistics (database). Data for Australia are based on a combination of national accounts and government finance statistics data provided by the Australian Bureau of Statistics.

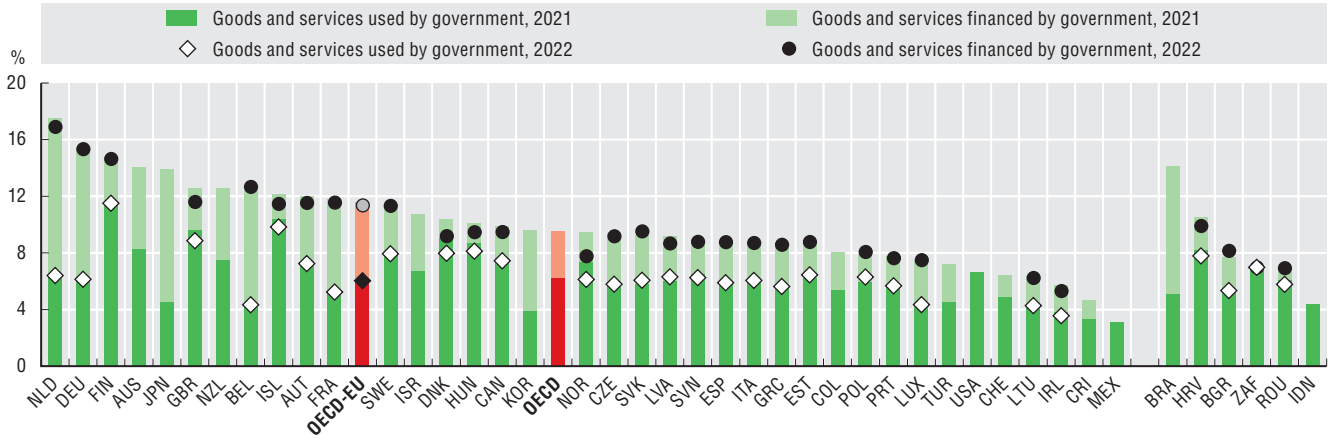
StatLink https://stat.link/hunlod

10.13. Structure of production costs, 2021

Source: OECD National Accounts Statistics (database). Data for Australia are based on a combination of national accounts and government finance statistics data provided by the Australian Bureau of Statistics.

StatLink https://stat.link/tszwq0

10.14. Expenditures on general government outsourcing as a percentage of GDP, 2021 and 2022



Source: OECD National Accounts Statistics (database). Data for Australia are based on a combination of national accounts and government finance statistics data provided by the Australian Bureau of Statistics.

StatLink https://stat.link/p5jxof

11. PUBLIC SPENDING

General government expenditures

Government expenditures by function (COFOG)

Breakdown of government spending by functions of social protection and health (COFOG)

Cost effectiveness

Structure of government expenditures by economic transaction

Expenditure structure by level of government

Government investment spending

General government fiscal balance

General government structural balance

Inequality reduction and poverty

General government expenditures

Governments are responsible for the provision of various goods and services to their populations. Some of these are under their exclusive jurisdiction, for example the justice system, whereas others, like healthcare, may be provided by both government and private entities. In addition to providing services, governments also strive to redistribute income across society, through social benefits and subsidies. The level of public provision of goods and services varies significantly between countries depending on their policy choices, current priorities and their political systems and traditions. Across OECD countries, government expenditures are primarily allocated to the provision of public services and income transfers. Government expenditures tend to be more stable over time than government revenues, which are more dependent on economic cycles. Through public spending, governments provide people with a reliable safety net, guaranteeing them certain entitlements and protecting them from economic fluctuations.

General government expenditures amounted to 46.3% of GDP on average across OECD countries in 2021. France (59.1%), Greece (57.7%) and Italy (57.3%) were the countries with the largest share of government expenditures relative to GDP. Between 2019 and 2021 general government expenditures as a percentage of GDP increased by 5.4 percentage points, from 40.9% in 2019 (Figure 11.1). This increase is largely explained by the COVID-19 pandemic, which led to significant economic disruption. This prompted large-scale fiscal stimuluses, including increased spending on healthcare, social welfare programmes, and support for businesses and individuals affected by the pandemic, while at the same time GDP was falling.

Government expenditures peaked in 2020 in the OECD and the largest OECD economies due to the COVID-19 pandemic (48.4% of GDP on average across OECD countries) and fell in 2021 and 2022. However, levels are still much higher than they were before COVID-19 (Figure 11.2). In 35 out of 38 OECD countries, government expenditures as a percentage of GDP increased between 2019 and 2021, with Greece (9.6 p.p.) and Italy (8.8 p.p.) reporting the largest increases. Between 2021 and 2022 public spending decreased as a share of GDP in 26 out of 27 countries with available data; the exception was Luxembourg, where it increased by 0.4 p.p. (Figure 11.1).

In 2021, across OECD countries, general government spending per capita averaged USD 23 432 PPP, ranging from USD 5 637 PPP in Mexico to USD 56 357 PPP in Luxembourg. Between 2019 and 2021 spending per capita increased on average by USD 3 695 PPP. The largest increases occurred in the United States (USD 6 663 PPP) and Luxembourg (USD 4 925 PPP) (Figure 11.3).

The annual growth rate of real government expenditure per capita was 12.5% on average across OECD countries in 2020. The growth rate slowed in 2021 to 0.64% on average, much smaller than in 2020. Among countries with available data, spending per capita started falling in 2022: 21 of 27 countries reported negative growth, with Norway recording the biggest downturn (-17.0%) (Online Figure G.6.1).

Methodology and definitions

General government expenditures data are from the *OECD National Accounts Statistics* (database), which are based on the *System of National Accounts* (SNA), a set of internationally agreed concepts, definitions, classifications and rules for national accounting. The 2008 SNA framework has been implemented by all OECD countries (see Annex C for details on reporting systems and sources). In SNA terminology, general government consists of central, state and local governments and social security funds. Expenditures encompass intermediate consumption, compensation of employees, subsidies, property income (including interest spending), social benefits, other current expenditures (mainly current transfers) and capital expenditures (capital transfers and investments). Gross domestic product (GDP) is the standard measure of the value of the goods and services produced by a country during a period. Government expenditures per capita were calculated by converting total government expenditures to USD using the OECD/Eurostat purchasing power parities (PPP) for GDP and dividing by population of the country. PPP is the number of units of country B's currency needed to buy the same quantity of goods and services in country A.

Further reading

OECD (2023), *OECD Economic Outlook, Interim Report March 2023: A Fragile Recovery*, OECD Publishing, Paris, *https://doi.org/10.1787/d14d49eb-en*.

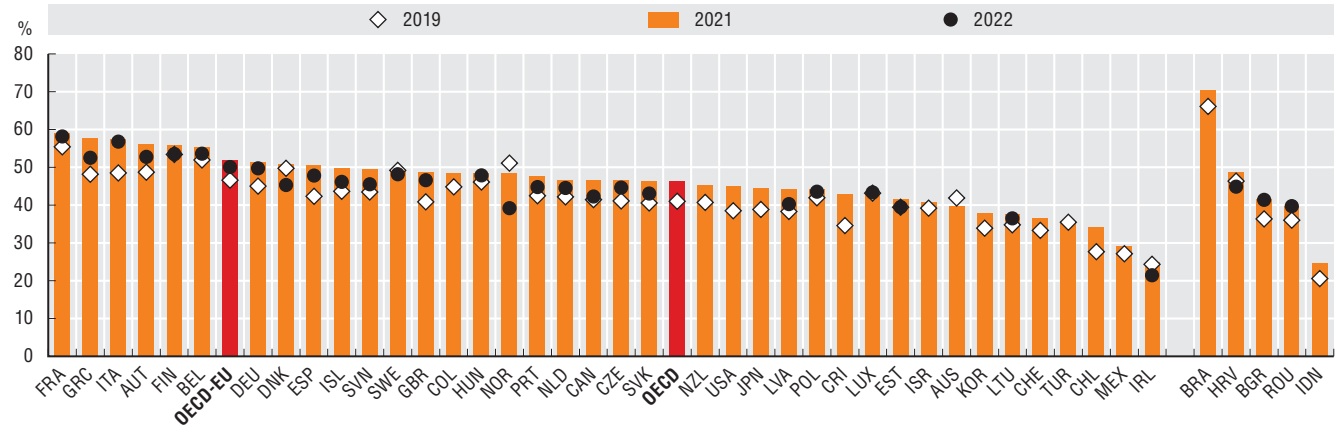
Figure notes

Data for Chile and Türkiye are not included in the OECD average.

11.1 and 11.3. Data for Türkiye, Brazil and Indonesia are for 2020 rather than 2021.

G.6.1 (Annual growth rate of real government expenditures per capita, 2019-20, 2020-21 and 2021-22) is available online in Annex G.

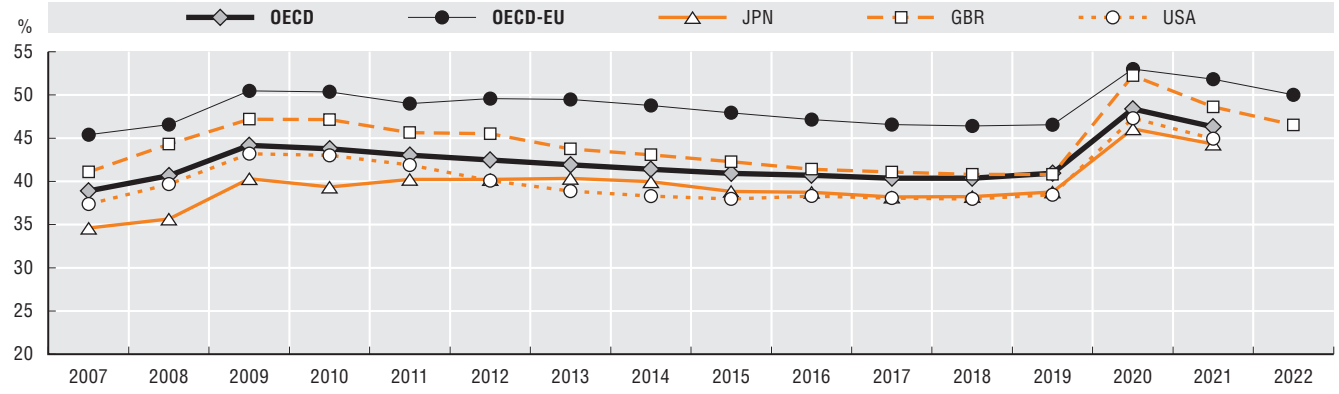
11.1. General government expenditures as a percentage of GDP, 2019, 2021 and 2022



Source: OECD National Accounts Statistics (database).

StatLink https://stat.link/97wuhj

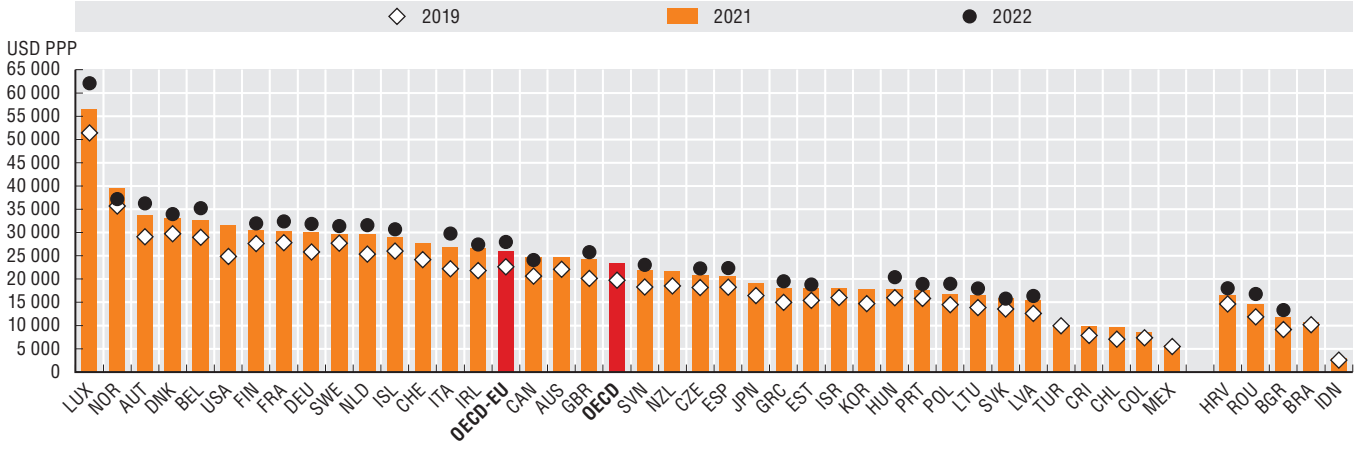
11.2. General government expenditures as a percentage of GDP, OECD and largest OECD economies, 2007 to 2022



Source: OECD National Accounts Statistics (database).

StatLink https://stat.link/03hn97

11.3. General government expenditures per capita, 2019, 2021 and 2022



Source: OECD National Accounts Statistics (database).

StatLink https://stat.link/p7zkb6

Government expenditures by function (COFOG)

Governments are responsible for the funding or direct provision of a wide array of services and activities, such as healthcare, education and justice; guaranteeing public order and the safety of civilians; and representing the country internationally. Governments' expenditures by function provides an overview of the use of public resources in key areas and sheds light on government priorities and preferences for delivery modes (i.e. fully public or a combination of public and private). Changes in the structure of public spending can be driven by policy choices, as well as by socio-economic trends such as demographic changes, business cycles or shocks such as the COVID-19 pandemic.

On average in 2021, social protection accounted for the largest share of public spending (15.8% of GDP) in OECD countries (Table 11.4). It ranges from 8.7% of GDP in Ireland to 24.8% of GDP in France. Social protection includes pensions, and sickness, disability and unemployment benefits. OECD countries in the EU spend on average more on social protection (20.6% of GDP) than the OECD average.

Healthcare represents the second largest share of public expenditure. It generally comprises hospital and patient services, appliances, equipment, and medical products. From 2019 to 2021, average health expenditures increased from 8.0% to 9.0% of GDP in OECD countries, notably due to the COVID-19 pandemic. In 2021, the United States (10.3%) and Austria (10.1%) spent the most in this category among OECD countries; Switzerland (2.8%) and Luxembourg (5.4%) spent the least (Table 11.4). In Switzerland, this comparatively low share is due to the predominance of private health schemes.

Economic affairs formed the third largest spending category in the OECD in 2021. It includes commercial, agricultural, energy and transport expenditure made by public administrations to support productive activities. On average, OECD countries spend 5.7% of GDP on economic affairs, ranging from 10.7% of GDP in Greece to 2.3% in Chile. The fourth and fifth largest spending categories in 2021 were general public services and education. General public services (e.g. public debt transactions, the functioning of the central executive and legislative bodies, and transfers between levels of government) accounted for 5.4% of GDP, while education accounted for 5.1% (Table 11.4).

Between 2019 and 2021, public spending on social protection as a share of GDP increased by 2.4 percentage points on average across OECD countries. It increased the most in Chile (8.5 p.p.) and in the United States (4.5 p.p.). The largest decrease in social protection spending occurred in Norway (a fall of 0.9 p.p.). During the same period, the category with the second largest increase in public spending was economic affairs, which grew by 1.7 p.p. on average across OECD countries. The largest increase occurred in Greece (6.9 p.p.) (Table 11.5).

Methodology and definitions

Expenditures data are derived from the *OECD National Accounts Statistics* (database) and *Eurostat Government Finance Statistics* (database), which are based on the *System of National Accounts* (SNA), a set of internationally agreed concepts, definitions, classifications and rules for national accounting. The 2008 SNA framework has been implemented by all OECD countries (see Annex C). Data on expenditures are disaggregated according to the Classification of the Functions of Government (COFOG), which divides expenditures into ten functions (I level): general public services; defence; public order and safety; economic affairs; environmental protection; housing and community amenities; health; recreation, culture and religion; education; and social protection. See Annex E for more information about the types of expenditures included.

Further reading

OECD (2023), *OECD Economic Outlook, Interim Report March 2023: A Fragile Recovery*, OECD Publishing, Paris, *https://doi.org/10.1787/d14d49eb-en*.

Allen, R. (2022), "How budgeting systems can prepare better for national emergencies: Six lessons from the COVID-19 crisis", *OECD Journal on Budgeting*, Vol. 22/1, *https://doi.org/10.1787/bdfca328-en*.

Figure notes

Data for Chile, Colombia and Costa Rica are not included in the OECD average. Data for Canada, Mexico, New Zealand and Türkiye are not available. Data for Costa Rica and Korea refer to 2020 rather than 2021.

G.6.2 and G.6.3 (Structure of general government expenditures by function in 2021 and its change since 2019) are available online in Annex G.

11.4. General government expenditures by function as a percentage of GDP, 2021

	General public services	Defence	Public order and safety	Economic affairs	Environmental protection	Housing and community amenities	Health	Recreation, culture and religion	Education	Social protection
Australia	3.8	2.4	2.1	5.9	0.9	0.7	8.2	0.9	5.8	10.8
Austria	5.8	0.6	1.4	9.3	0.4	0.3	10.1	1.2	4.9	21.9
Belgium	7.0	0.9	1.8	7.1	1.3	0.4	8.6	1.2	6.3	21.0
Chile	2.4	0.8	1.6	2.3	0.2	0.8	5.8	0.3	4.0	16.0
Colombia	5.5	1.1	2.1	3.7	0.5	0.6	6.1	0.6	3.9	9.8
Costa Rica	5.4	0.0	2.6	2.8	0.4	0.7	7.5	0.2	7.4	9.9
Czech Republic	4.6	1.0	2.0	7.5	0.9	0.6	9.8	1.3	5.1	13.6
Denmark	6.0	1.2	1.0	4.1	0.4	0.1	9.2	1.6	6.0	21.1
Estonia	3.8	2.0	1.8	4.8	0.6	0.5	6.5	2.1	5.9	13.5
Finland	8.1	1.2	1.2	5.1	0.2	0.4	7.7	1.5	5.7	24.7
France	5.8	1.8	1.7	6.9	1.0	1.3	9.2	1.4	5.2	24.8
Germany	6.2	1.1	1.7	6.0	0.6	0.5	8.6	1.1	4.5	20.9
Greece	7.9	2.8	2.2	10.7	1.2	0.3	6.7	1.1	4.1	20.6
Hungary	8.0	1.1	1.8	9.2	0.7	0.8	5.6	3.0	5.0	13.1
Iceland	7.0	0.1	1.7	6.0	0.7	0.6	9.0	3.3	7.7	13.3
Ireland	2.3	0.2	0.8	3.1	0.3	0.6	5.3	0.5	3.0	8.7
Israel	4.6	5.1	1.5	4.9	0.5	-0.8	5.8	1.3	7.4	10.6
Italy	8.1	1.4	1.9	6.5	0.9	0.5	7.6	0.8	4.1	23.3
Japan	3.8	1.0	1.2	5.6	1.2	0.6	9.2	0.5	3.5	17.9
Korea	4.7	2.8	1.4	5.8	1.1	1.2	5.6	1.1	5.2	9.3
Latvia	3.7	2.3	2.2	7.2	0.6	1.0	6.3	1.4	5.6	13.8
Lithuania	3.1	1.8	1.3	4.0	0.5	0.6	5.9	1.2	4.8	14.3
Luxembourg	4.7	0.4	1.2	5.4	0.9	0.6	5.4	1.2	4.7	18.3
Netherlands	3.9	1.3	2.0	5.9	1.4	0.4	8.7	1.3	5.1	16.7
Norway	4.2	1.7	1.1	5.9	0.9	0.7	8.6	1.7	5.0	18.6
Poland	4.1	1.6	2.2	6.0	0.6	0.5	5.8	1.2	4.9	17.3
Portugal	6.8	0.8	1.8	5.5	0.8	0.6	7.6	1.0	4.6	18.3
Slovak Republic	5.9	1.3	2.3	6.8	0.9	0.5	7.0	1.0	4.3	16.2
Slovenia	5.2	1.2	1.8	6.8	0.7	0.5	8.1	1.4	5.7	17.9
Spain	5.9	1.0	2.0	6.5	1.0	0.5	7.3	1.2	4.6	20.6
Sweden	6.6	1.3	1.3	4.8	0.6	0.7	7.5	1.4	6.7	18.6
Switzerland	4.3	0.8	1.7	4.9	0.6	0.2	2.8	1.1	5.7	14.4
United Kingdom	4.7	2.2	2.1	5.8	0.7	0.8	9.9	0.6	5.4	16.1
United States	5.5	3.3	2.0	5.1	0.0	0.8	10.3	0.3	5.6	12.1
OECD	5.4	2.2	1.8	5.7	0.5	0.7	9.0	0.7	5.1	15.8
OECD-EU	6.0	1.3	1.8	6.4	0.8	0.6	8.1	1.2	4.8	20.6
Bulgaria	3.5	1.6	2.7	6.7	0.8	1.0	5.8	0.9	4.3	13.4
Croatia	4.8	1.0	2.4	8.5	1.5	1.3	8.3	1.6	5.2	14.1
Romania	5.0	1.9	2.3	5.8	0.7	1.1	5.5	0.9	3.2	13.4

Source: OECD National Accounts Statistics (database); Eurostat Government Finance Statistics (database).

StatLink https://stat.link/nlij94

11.5. Change in general government expenditures by function as a percentage of GDP, 2019 to 2021

	General public services	Defence	Public order and safety	Economic affairs	Environmental protection	Housing and community amenities	Health	Recreation, culture and religion	Education	Social protection
Australia	-0.2	-0.1	-0.1	-1.6	-0.1	0.1	0.4	-0.1	-0.6	-0.3
Austria	0.0	0.0	0.1	3.5	0.0	0.0	1.8	0.0	0.1	1.7
Belgium	0.1	0.1	0.1	0.4	0.0	0.0	1.0	-0.1	0.2	1.8
Chile	-0.5	-0.1	-0.3	-0.4	0.0	-0.1	0.6	-0.1	-1.0	8.5
Colombia	0.2	0.0	0.0	0.3	-0.1	0.0	0.2	-0.2	-0.2	0.1
Costa Rica	0.7	0.0	0.2	-0.2	0.0	0.0	1.4	0.0	-0.2	0.8
Czech Republic	0.3	0.1	0.1	1.5	0.1	0.0	2.3	-0.1	0.2	1.1
Denmark	0.1	0.1	0.0	1.0	0.0	-0.1	0.9	0.0	-0.3	-0.5
Estonia	0.3	-0.1	0.0	0.9	-0.1	0.1	0.8	0.0	-0.2	0.4
Finland	0.1	0.0	0.0	0.8	0.0	0.1	0.6	0.0	0.1	0.7
France	0.2	0.0	0.1	1.0	0.0	0.2	1.3	0.0	0.0	0.9
Germany	0.4	0.0	0.1	2.8	0.0	0.0	1.4	0.1	0.2	1.3
Greece	0.0	0.8	0.1	6.9	-0.2	0.1	0.9	0.2	0.1	0.8
Hungary	-0.1	0.1	-0.3	0.7	0.0	0.0	1.1	0.0	0.3	0.4
Iceland	-0.3	0.0	0.2	1.1	0.1	0.0	1.2	0.2	0.7	2.6
Ireland	-0.5	0.0	-0.1	1.0	0.0	0.0	0.5	-0.1	-0.2	0.1
Israel	0.5	-0.1	-0.1	2.1	0.0	-1.0	0.5	-0.3	0.4	-0.2
Italy	0.8	0.1	0.1	2.4	0.1	0.0	0.8	0.0	0.2	2.3
Japan	0.0	0.1	0.0	1.9	0.0	0.0	1.5	0.0	0.1	1.8
Korea	0.5	0.2	0.1	0.9	0.2	0.1	0.4	0.0	0.1	1.7
Latvia	-0.1	0.4	0.0	2.0	0.0	0.0	2.0	0.0	-0.1	1.8
Lithuania	-0.4	0.2	-0.1	1.0	0.0	0.1	0.8	0.0	0.2	0.9
Luxembourg	-0.5	0.1	0.0	0.2	0.0	0.0	0.2	-0.1	-0.1	0.0
Netherlands	-0.1	0.1	0.1	2.0	0.0	0.0	1.3	0.0	0.2	0.8
Norway	-0.6	-0.2	-0.1	-0.1	0.0	-0.1	0.0	-0.1	-0.6	-0.9
Poland	-0.1	-0.1	0.1	1.2	0.0	-0.1	0.9	-0.2	-0.1	0.6
Portugal	0.2	0.0	0.2	1.8	0.2	0.1	1.1	0.1	0.2	1.4
Slovak Republic	0.7	0.2	0.0	1.6	0.1	0.0	1.3	-0.1	0.1	1.9
Slovenia	0.0	0.2	0.2	2.3	0.1	0.1	1.5	0.0	0.2	1.5
Spain	0.4	0.1	0.2	2.3	0.1	0.1	1.2	0.0	0.6	3.2
Sweden	-0.2	0.1	0.0	0.4	0.1	0.0	0.5	0.1	-0.2	-0.4
Switzerland	0.0	0.0	0.0	1.0	0.0	0.0	0.6	0.1	0.2	1.3
United Kingdom	0.4	0.2	0.3	2.4	0.1	0.1	2.3	0.0	0.5	1.3
United States	-0.3	-0.1	0.0	1.6	0.0	0.3	0.7	0.0	-0.3	4.5
OECD	0.0	0.0	0.0	1.7	0.0	0.1	1.0	0.0	0.0	2.4
OECD-EU	0.3	0.1	0.1	1.9	0.0	0.1	1.1	0.0	0.1	1.3
Bulgaria	-0.1	0.4	0.0	0.2	0.1	-0.3	1.2	0.2	0.5	1.9
Croatia	-0.5	-0.1	0.2	0.7	0.4	0.0	1.2	0.2	0.1	0.2
Romania	0.9	0.3	0.1	1.0	0.0	0.1	0.5	-0.1	-0.4	1.6

Source: OECD National Accounts Statistics (database); Eurostat Government Finance Statistics (database).

StatLink https://stat.link/g8e7p2

Breakdown of government spending by functions of social protection and health (COFOG)

The COVID-19 pandemic showed the importance of robust and agile health and social protection systems to help weather crises by protecting people's lives and preserving living conditions. Social protection and healthcare are on average the largest government spending categories in OECD countries, and increased in significance during the pandemic. Meanwhile, demographic trends, such as higher life expectancy and low fertility rates, add further financial pressure on health and social protection systems, increasing demand for more and better medical care, as well as for pensions and other types of social aid and support (OECD, 2021).

Within social protection, the largest spending category is old age pensions, amounting to 10.9% of GDP in the OECD-EU countries in 2021. Italy (14.3%) and Finland (13.9%) spent the largest share of GDP on old age pensions (Table 11.6). Between 2019 and 2021, spending on old age pensions as a share of total social protection spending fell by 1.6 p.p. in the OECD-EU countries due to relative increases in other categories (Online Table G.6.6), such as unemployment benefits, which increased by a similar amount over this period. Outside OECD-EU countries, there were decreases of old age pensions spending as a share of total social protection expenditures across all countries with available data, with the largest relative decreases in Colombia (6.8 p.p.) and Iceland (5.5 p.p.).

The second largest spending category within social protection is sickness and disability benefits, accounting for 2.9% of GDP on average across OECD-EU countries in 2021. Families and children is the third largest category in social spending, averaging 1.9% of GDP in the OECD-EU, with the highest share in 2021 in Denmark (4.2% of GDP) (Table 11.6).

Within healthcare, the largest public spending category remains hospital services, corresponding to 3.4% of GDP on average in OECD-EU countries in 2021. It includes fixed medical equipment and facilities. Among the countries with available data, the United Kingdom spent the most on hospital services (7.6%) (Table 11.7). Public spending on hospital services as a share of total health spending fell by 1.6 p.p. on average in OECD-EU countries between 2019 and 2021, continuing a downward trend that started in 2009, possibly explained by shorter stays in hospitals in the last decade (OECD, 2021). The second largest spending category within healthcare is outpatient services, averaging 2.5% of GDP. This category includes services delivered at home or in consulting facilities and fell by 2.1 p.p. of total healthcare spending from 2019 to 2021. Finland spent the most on outpatient services (3.4%) in 2021.

The public health services category includes research, disseminating information, and the purchase of vaccines and masks for the population. Although it is a relatively small category of spending (0.6% of GDP in 2021), it increased substantially as a share of total health spending, by 4.6 p.p. between 2019 and 2021, due to the COVID-19 pandemic. The largest increases were observed in Switzerland (18.5 p.p.), Austria (11 p.p.) and Hungary (10 p.p.) (Table 11.7 and Online Table G.6.7).

Methodology and definitions

Expenditures data are derived from the *OECD National Accounts Statistics* (database) and *Eurostat Government Finance Statistics* (database), which are based on the *System of National Accounts* (SNA), a set of internationally agreed concepts, definitions, classifications, and rules for national accounting. The 2008 SNA framework has been implemented by all OECD countries (see Annex C). Data on expenditures are disaggregated according to the Classification of the Functions of Government (COFOG) into ten main functions. Within these functions, health expenditures are further divided into six sub-functions: medical products, appliances and equipment; outpatient services; hospital services; public health services; R&D health; and health n.e.c. (not elsewhere classified). Social protection expenditures are further divided into nine sub-functions: sickness and disability; old age (i.e. pensions); survivors; family and children; unemployment; housing; social exclusion n.e.c.; R&D social protection; and social protection n.e.c.

Further reading

de Bienassis, K., et al. (2023), "Advancing patient safety governance in the COVID-19 response", *OECD Health Working Papers*, No. 150, OECD Publishing, Paris, *https://doi.org/10.1787/9b4a9484-en*.

OECD/European Union (2022), *Health at a Glance: Europe 2022: State of Health in the EU Cycle*, OECD Publishing, Paris, *https://doi.org/10.1787/507433b0-en*.

OECD (2021), *Health at a Glance 2021: OECD Indicators*, OECD Publishing, Paris, *https://doi.org/10.1787/ae3016b9-en*.

Figure notes

Data for several OECD non-European countries are not available. Data for Colombia and Costa Rica refer to 2020 rather than 2021.

G.6.4 to G.6.7 (Structure of government expenditures by function of social protection and health in 2021 and its change since 2019) are available online in Annex G.

11.6. Government expenditures by function of social protection as a percentage of GDP, 2021

	Sickness and disability	Old age	Survivors	Family and children	Unemployment	Housing	Social exclusion n.e.c.	R&D Social protection	Social protection n.e.c.
Australia	2.67	3.81	0.01	2.00	0.69	0.23	0.87	0.00	0.47
Austria	1.77	13.57	1.38	2.09	1.75	0.09	1.06	0.01	0.18
Belgium	3.69	9.61	1.52	2.24	2.05	0.25	1.16	0.01	0.49
Colombia	0.04	6.90	..	0.87	..	0.23	1.43	..	2.39
Costa Rica	0.45	5.12	0.45	0.34	0.29	0.40	0.00	0.00	2.88
Czech Republic	2.46	7.93	0.55	1.75	0.18	0.14	0.43	0.00	0.19
Denmark	4.62	7.99	0.01	4.21	1.88	0.62	1.33	0.01	0.46
Estonia	2.12	7.42	0.06	2.53	0.94	0.03	0.16	0.02	0.19
Finland	3.22	13.94	0.62	3.04	2.04	0.63	0.91	0.02	0.31
France	3.08	13.21	1.44	2.18	2.33	0.86	1.48	0.00	0.17
Germany	3.34	10.00	1.95	1.91	1.97	0.33	0.65	0.00	0.75
Greece	1.63	13.89	2.39	1.10	0.66	0.35	0.57	0.00	0.02
Hungary	2.08	6.54	0.74	2.32	0.26	0.09	0.88	0.00	0.16
Iceland	3.47	3.29	0.03	2.53	2.46	0.37	0.65	0.00	0.47
Ireland	1.11	3.48	0.41	0.96	1.66	0.81	0.12	0.00	0.18
Israel	2.86	4.77	0.46	1.27	0.41	0.12	0.42	0.00	0.33
Italy	1.95	14.28	2.62	1.05	1.54	0.04	1.69	0.01	0.12
Japan	0.97	11.27	1.45	2.36	0.80	0.00	0.56	0.00	0.52
Latvia	2.64	7.51	0.21	1.75	0.95	0.07	0.37	0.00	0.31
Lithuania	4.11	6.44	0.30	1.88	0.89	0.08	0.41	0.00	0.23
Luxembourg	3.18	9.41	0.00	3.35	1.32	0.12	0.74	0.00	0.19
Netherlands	4.27	6.56	0.05	2.08	0.77	0.47	2.45	0.01	0.00
Norway	6.51	6.89	0.16	3.06	0.70	0.11	0.72	0.05	0.40
Poland	2.07	9.90	1.67	2.93	0.26	0.02	0.31	0.00	0.11
Portugal	1.47	11.86	1.75	1.54	0.81	0.17	0.29	0.00	0.36
Slovak Republic	4.06	8.41	0.80	1.22	0.34	0.00	0.19	0.00	1.18
Slovenia	2.61	10.39	1.28	2.03	0.45	0.02	0.96	0.00	0.15
Spain	2.93	10.73	2.47	1.02	2.65	0.02	0.61	0.00	0.14
Sweden	3.42	10.23	0.17	2.35	1.27	0.29	0.82	0.00	0.01
Switzerland	3.02	6.72	0.30	0.64	2.14	0.03	1.50	0.00	0.01
United Kingdom	2.43	8.67	0.05	1.26	0.05	0.78	2.52	0.00	0.35
OECD-EU	2.87	10.86	1.61	1.89	1.67	0.33	1.02	0.00	0.31
Bulgaria	0.62	10.00	0.00	1.80	0.47	0.07	0.08	0.00	0.31
Croatia	1.65	8.42	1.21	2.10	0.37	0.07	0.05	0.00	0.19
Romania	1.15	9.72	0.14	1.53	0.07	0.01	0.29	0.00	0.45

Source: OECD National Accounts Statistics (database); Eurostat Government Finance Statistics (database).

StatLink https://stat.link/olv7fa

11.7. Government expenditures by function of health as a percentage of GDP, 2021

	Medical products, appliances and equipment	Outpatient services	Hospital services	Public health services	R&D Health	Health n.e.c.
Australia	0.80	0.77	2.88	0.65	0.23	2.89
Austria	1.23	1.64	5.08	1.33	0.48	0.32
Belgium	0.80	3.02	4.16	0.37	0.05	0.21
Colombia	3.29	..	..	0.20	0.03	3.25
Costa Rica	0.12	2.79	3.47	0.42	0.12	0.56
Czech Republic	0.93	1.94	4.51	2.14	0.07	0.24
Denmark	0.53	1.20	6.42	0.35	0.23	0.51
Estonia	0.71	0.60	4.65	0.28	0.16	0.09
Finland	0.70	3.40	3.29	0.20	0.10	0.04
France	1.50	3.21	3.73	0.52	0.09	0.16
Germany	1.86	2.36	2.90	0.70	0.09	0.74
Greece	1.55	0.67	3.90	0.36	0.14	0.05
Hungary	0.74	1.41	2.22	0.74	0.07	0.44
Iceland	0.64	2.06	5.93	0.03	0.00	0.29
Ireland	0.62	1.84	2.08	0.38	0.01	0.34
Israel	1.10	1.54	2.95	0.10	0.00	0.09
Italy	0.95	2.72	3.10	0.53	0.13	0.15
Japan	1.29	3.08	2.95	1.14	0.01	0.73
Latvia	0.61	1.85	3.12	0.54	0.00	0.15
Lithuania	0.89	1.89	2.74	0.19	0.00	0.18
Luxembourg	1.67	1.09	2.17	0.25	0.16	0.09
Netherlands	0.73	2.43	3.94	0.90	0.40	0.30
Norway	0.47	2.03	4.90	0.48	0.38	0.32
Poland	0.06	1.71	3.53	0.22	0.10	0.14
Portugal	0.67	1.90	4.25	0.12	0.24	0.43
Slovak Republic	0.93	1.56	3.52	0.62	0.02	0.36
Slovenia	1.00	2.29	3.80	0.61	0.09	0.35
Spain	1.10	2.72	3.08	0.12	0.29	0.03
Sweden	0.74	3.29	2.62	0.47	0.17	0.19
Switzerland	0.00	0.22	1.81	0.66	0.09	0.05
United Kingdom	0.52	1.13	7.55	0.24	0.14	0.34
OECD-EU	1.17	2.47	3.40	0.56	0.14	0.32
Bulgaria	0.67	0.69	3.86	0.24	0.00	0.37
Croatia	1.25	1.30	4.64	0.70	0.06	0.31
Romania	0.86	0.14	3.07	0.21	0.02	1.18

Source: OECD National Accounts Statistics (database); Eurostat Government Finance Statistics (database).

StatLink https://stat.link/o809uc

Cost effectiveness

In economic terms, effectiveness measures the extent to which an activity meets its goals. Cost effectiveness, i.e. the ratio of an input to an intermediate or final outcome, reflects the relationship between resources spent and results achieved, and is critical for evaluating the success of government policies. The education and healthcare sectors have sufficiently well developed and internationally standardised measures of inputs and outcomes to allow their cost effectiveness to be meaningfully compared.

Healthcare

Health expenditure accounts for a significant part of overall public spending. In the future, it is expected to increase further in response to demographic trends such as ageing populations (OECD, 2021). Health cost effectiveness is assessed by comparing countries' improvements in life expectancy at birth (outcome) to their total health expenditure per capita (input). Current health expenditure comprises both public and private health spending; the latter may be particularly high in countries without comprehensive public health schemes, such as the United States. Life expectancy is a broad measure of health-spending effectiveness, as it can also be affected by factors beyond healthcare activities and spending, including life habits, physical environment and behavioural factors. Nonetheless, there is a positive relation between health spending and life expectancy at birth, with diminishing returns to health spending (Figure 11.8).

In countries such as Japan, Korea and Israel, life expectancy is relatively high given health expenditure levels. On the other hand, countries such as Mexico, Latvia and Lithuania have comparatively low life expectancy compared to other countries that spend similar amounts on health. An explanatory factor in Mexico may be comparatively high obesity rates, while substance abuse and self-harm significantly contributed to low life expectancy in both Baltic countries (Stumbrys et al., 2022). The United States has one of the lowest life expectancies (77 years), despite having by far the highest level of health expenditure per capita among OECD countries. Beyond affordability of healthcare, other factors like drug overdoses, firearm-related deaths and mental disorders may help explain this relatively low outcome (Ho, 2022).

Education

Every three years, the OECD Programme for International Student Assessment (PISA) evaluates the performance of 15-year-old students in reading, mathematics and science. Comparing the learning outcomes of students based on PISA scores, and cumulative expenditure on education per student provides an aggregate measure of the cost effectiveness of education systems.

Average cumulative expenditure on education across the OECD is USD 93 800 PPP per student in both primary and lower secondary education (Figures 11.9 and 11.10). Overall, there is a positive relationship between expenditure and PISA results. Some countries (e.g. Estonia, Japan and Poland) achieve relatively high mathematics scores given their levels of expenditure per student. In contrast, countries such as Chile and Luxembourg achieve relatively low PISA scores in both mathematics and reading, considering the amount they spend per student. PISA scores are also influenced by additional factors such as the amount of time students spend learning outside regular lessons (homework, attending supplementary private study). Furthermore, the family and social environment in which children grow up also affect their education and its outcomes (OECD, 2022).

Methodology and definitions

Health spending measures the final consumption of healthcare goods and services (i.e. current health expenditure) including personal and collective healthcare but excluding spending on investments. Life expectancy measures how long, on average, a new born can expect to live, if current death rates do not change. It focuses on measuring the length of life and not the health-related quality of life of people alive. Reading performance in PISA measures the capacity of 15-year-old students to understand, use and reflect on written texts. Mathematical performance measures their mathematical literacy.

Further reading

Ho, J.Y. (2022), "Causes of America's lagging life expectancy: An international comparative perspective", *The Journals of Gerontology: Series B*, Vol. 77/Supplement_2, pp. S117-S126, *https://doi.org/10.1093/geronb/gbab129*.

OECD (2022), *Education at a Glance 2022: OECD Indicators*, OECD Publishing, Paris, *https://doi.org/10.1787/3197152b-en*.

Stumbrys, D., D. Jasilionis and D. Pūras (2022), "The burden of mental health-related mortality in the Baltic States in 2007-2018", *BMC Public Health*, Vol. 22/1, *https://doi.org/10.1186/s12889-022-14175-9*.

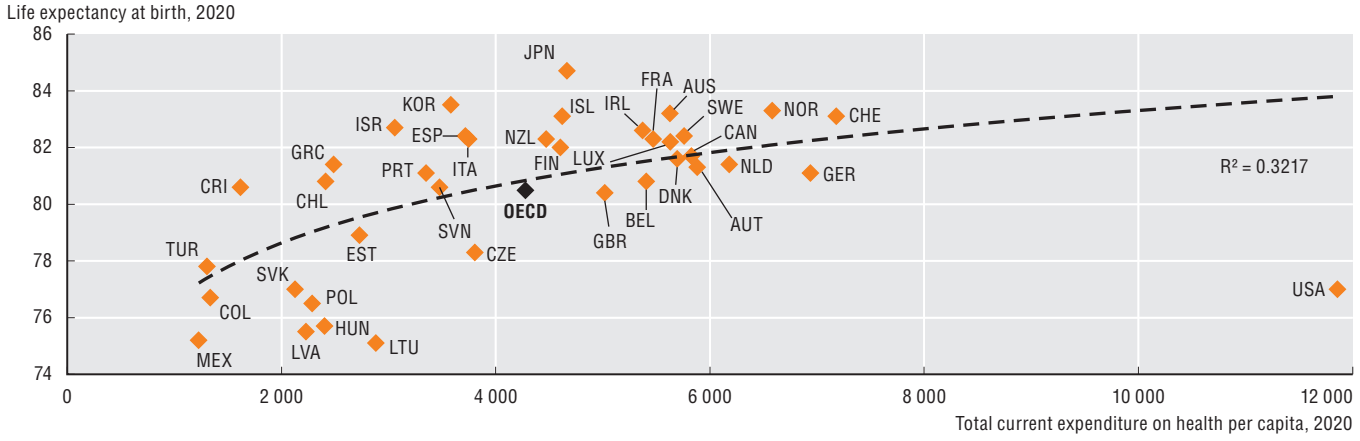
OECD (2021), *Health at a Glance 2021: OECD Indicators*, OECD Publishing, Paris, *https://doi.org/10.1787/ae3016b9-en*.

Figure notes

11.8. Expenditure data are provisional for Israel, Japan, Lithuania and Sweden. The New Zealand value is estimated. Life expectancies for the United Kingdom and Japan are estimated. Turkish life expectancy is for 2019.

11.9 and 11.10. All the data are unavailable for Costa Rica. Expenditure data are missing for Canada, Israel and Switzerland. PISA reading scores for Slovenia are missing.

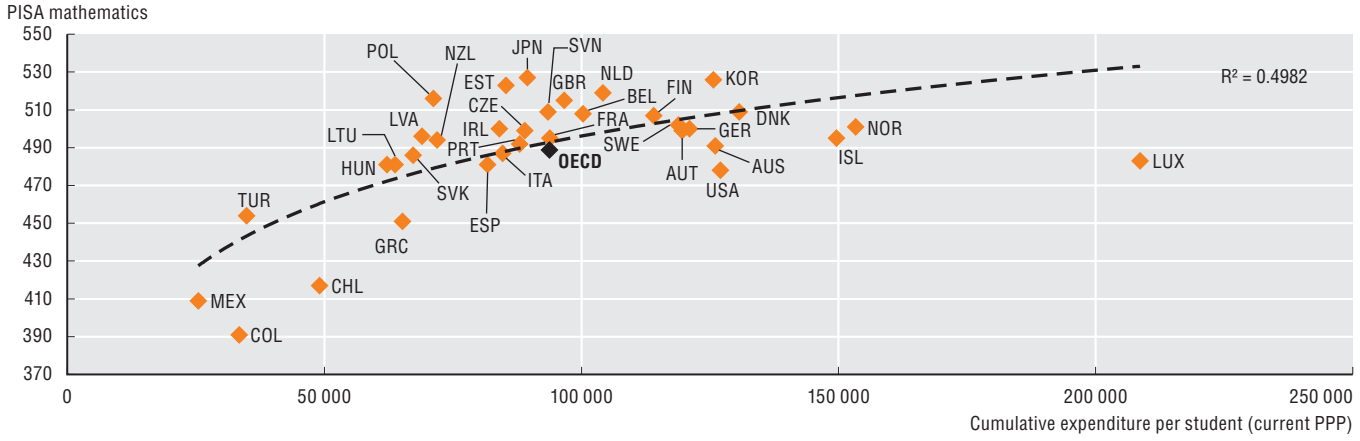
11.8. Life expectancy at birth and total current expenditure on health per capita, 2020



Source: OECD Health Statistics (database).

StatLink https://stat.link/ivmgt9

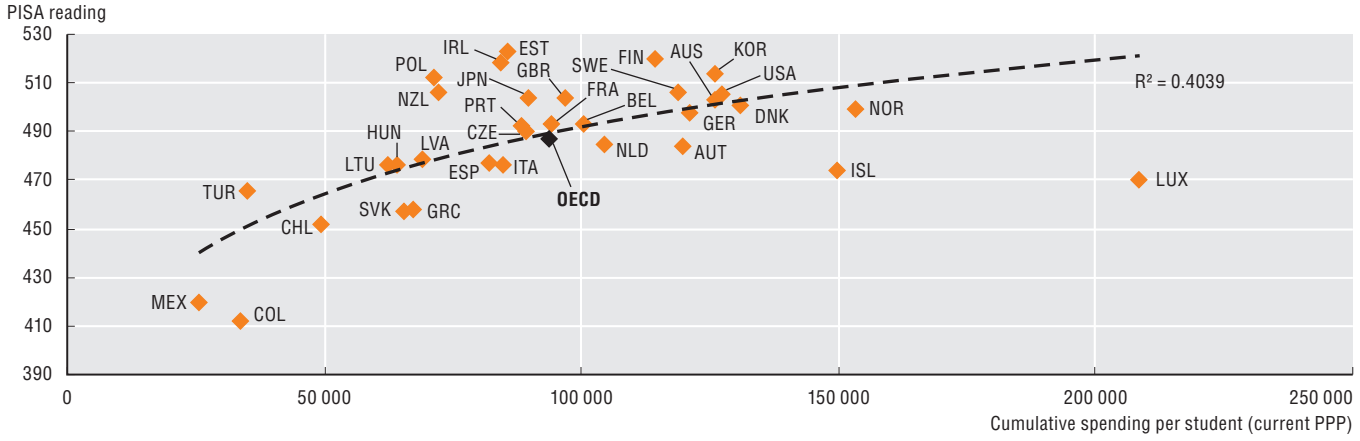
11.9. Performance in PISA (mathematics) 2018 at age 15 and cumulative expenditure per student between 6 and 15 years old, 2019



Source: OECD Education at a Glance (database).

StatLink https://stat.link/h87wiz

11.10. Performance in PISA (reading) 2018 at age 15 and cumulative expenditure per student between 6 and 15 years old, 2019



Source: OECD Education at a Glance (database).

StatLink https://stat.link/patd08

Structure of government expenditures by economic transaction

Another way of classifying public spending is by economic transactions, for example employee compensation, financing subsidies, cash transfers such as social or unemployment benefits, and intermediate consumption (i.e. procurement of goods or services from the private sector that are used in government production). This classification is distinct from government expenditures by function, which groups expenditures by thematic categories (e.g. health, education, defence, etc.), as it distinguishes broader categories of government's production function. By considering both types of classifications, it is possible to gain a more comprehensive understanding of government spending patterns and their impact on the economy.

On average the largest category of government expenditures is social benefits. In 2021, 41.5% of government expenditures were on social benefits on average among OECD countries and this share was up by 0.9 percentage points since 2019. In 2021, Germany and Japan had the highest share of expenditure on social benefits (51.0% and 50.1% respectively of total expenditures). In 2022, among countries with information available, those with the highest share of expenditures on social benefits had included Germany (50.7%), Belgium (48.0%) and the Netherlands (46.3%). Some countries saw substantial changes between 2019 and 2021 in the share of expenditures which were made on social benefits. The share increased most in the United States (5.8 p.p.), while the largest decreases during the same period were observed in Greece (a fall of 5.7 p.p.), Japan (4.6 p.p.), Italy (3.2 p.p.), the Netherlands (3.1 p.p.) and Germany (3.1 p.p.) (Table 11.11).

The second largest category of government expenditures is employee compensation, which amounted to 20.1% of total spending on average across OECD countries in 2021, a drop of 2.3 p.p. since 2019. Expenditures on employee compensation in 2022 were highest in Iceland (31.7% of total spending) and Denmark (30.3%). The shares were also high in Costa Rica (30.0%) and Mexico (29.7%) in 2021, the year for which data are available for these countries. Between 2019 and 2021, 37 out of 38 OECD countries reduced their spending on employee compensation as a share of the total expenditures. The largest falls were in Chile (8.7 p.p.) and Costa Rica (8.6 p.p.). Luxembourg was the only country with a slight increase (0.2 p.p.).

The category of government expenditures with the largest increase was subsidies, which rose by 2.3 p.p. between 2019 and 2021, to reach an average share of 4.6% of total spending across OECD countries. This increase is likely to be partially due to the effects of the COVID-19 pandemic, when many countries increased their subsidies to enterprises. Capital expenditures (0.1 p.p.) and other current expenditures (0.6 p.p.) also recorded moderate increases over the period (Table 11.11).

Methodology and definitions

Expenditures data are derived from the *OECD National Accounts Statistics* (database), which are based on the *System of National Accounts* (SNA), a set of internationally agreed concepts, definitions, classifications and rules for national accounting. The 2008 SNA framework has been implemented by all OECD countries (see Annex C). Expenditures encompass the following economic transactions: intermediate consumption (i.e. goods and services that are consumed in a production process within the economic territory and during the accounting period); compensation of employees; subsidies; property income (mainly including interest spending); social benefits (consisting of social benefits other than social transfers in kind and of social transfers in kind provided to households via market producers); other current expenditures (mainly current transfers but also other minor expenditures as other taxes on production, current taxes on income and wealth etc. and the adjustment for the change in pension entitlements); and capital expenditures (i.e. capital transfers and investments). All these transactions at the level of general government are recorded on a consolidated basis (i.e. transactions between levels of government are netted out).

Further reading

OECD (2017), *OECD Budget Transparency Toolkit: Practical Steps for Supporting Openness, Integrity and Accountability in Public Financial Management*, OECD Publishing, Paris, *https://doi.org/10.1787/9789264282070-en*.

Figure notes

Data for Chile and Türkiye are not included in the OECD average. Data for Türkiye, Brazil and Indonesia are for 2020 rather than 2021.

11.11. Structure of general government expenditures by economic transaction, 2021 and 2022 and change 2019 to 2021

% of total expenditures	Intermediate consumption			Compensation of employees			Subsidies			Property income (incl. interest)			Social benefits			Other current expenditures			Capital expenditures		
	2021	2022	Change 2019-21 (p.p.)	2021	2022	Change 2019-21 (p.p.)	2021	2022	Change 2019-21 (p.p.)	2021	2022	Change 2019-21 (p.p.)	2021	2022	Change 2019-21 (p.p.)	2021	2022	Change 2019-21 (p.p.)	2021	2022	Change 2019-21 (p.p.)
Australia	20.9	..	0.9	22.2	..	-0.1	5.7	..	-3.6	3.3	..	0.6	31.6	..	1.2	4.8	..	0.6	11.5	..	0.4
Austria	13.3	13.7	0.5	19.7	19.6	-2.0	8.3	4.6	5.2	2.0	1.8	-0.9	42.8	42.7	-2.3	6.3	8.1	-0.3	7.6	9.4	-0.2
Belgium	7.7	8.1	-0.2	22.5	23.2	-1.1	7.8	6.9	0.6	3.0	2.8	-0.8	47.4	48.0	0.2	4.7	4.4	0.9	6.9	6.6	0.4
Canada	16.5	17.6	-0.9	27.5	29.1	-2.5	6.5	3.4	3.8	5.7	6.5	-1.4	31.4	29.2	1.9	3.6	4.0	0.1	8.8	10.3	-1.0
Chile	..	..	..	27.1	..	-8.7	1.3	..	-0.7	2.6	..	-0.8	..	..	..	..	..	..	6.4	..	-2.3
Colombia	11.1	..	-1.8	15.5	..	-1.4	0.3	..	0.2	7.6	..	1.1	27.0	..	-1.1	31.7	..	5.4	6.8	..	-2.4
Costa Rica	7.9	..	-2.7	30.0	..	-8.6	0.0	..	0.0	11.2	..	-0.5	13.8	..	-0.7	29.7	..	14.6	7.5	..	-2.0
Czech Republic	12.5	12.9	-1.8	23.8	22.8	-0.4	7.1	5.1	1.7	1.6	2.6	-0.1	38.0	38.5	0.7	5.2	5.5	0.4	11.9	12.5	-0.5
Denmark	17.8	17.6	0.5	29.3	30.3	-1.0	5.0	3.1	1.7	1.1	1.6	-0.4	33.1	33.2	-1.5	6.6	6.3	0.3	7.1	7.8	0.5
Estonia	15.0	16.3	-1.7	26.4	26.3	-1.4	2.4	1.9	1.1	0.1	0.2	0.0	35.9	35.1	-0.3	5.6	4.6	1.0	14.8	15.6	1.3
Finland	20.7	21.5	0.6	22.9	23.1	-0.5	2.8	2.1	0.8	0.9	1.0	-0.7	39.2	39.0	-0.5	5.1	4.9	0.4	8.4	8.3	-0.2
France	8.8	9.0	-0.1	21.3	21.3	-0.8	5.6	5.4	0.6	2.4	3.3	-0.3	45.6	44.3	-0.1	7.7	7.5	0.6	8.8	9.2	0.1
Germany	12.3	12.3	0.3	15.9	16.0	-1.5	6.0	3.8	4.2	1.1	1.4	-0.6	51.0	50.7	-3.1	4.9	5.9	0.1	8.7	10.0	0.6
Greece	10.0	10.7	0.1	21.5	20.8	-3.3	8.3	10.3	5.5	4.3	4.6	-1.9	39.2	39.7	-5.7	3.5	2.8	0.2	13.2	11.1	5.1
Hungary	18.0	17.0	-1.0	21.8	21.2	-0.9	2.6	3.8	0.1	4.7	5.8	-0.2	25.1	24.4	-1.1	8.1	8.0	1.1	19.7	19.9	1.9
Iceland	20.9	21.3	-0.4	31.6	31.7	-1.2	3.2	3.2	0.5	7.6	10.0	-2.3	22.5	19.9	2.1	4.3	3.9	0.4	9.9	9.9	0.8
Ireland	15.4	16.6	0.8	25.2	26.9	-2.3	6.8	3.1	4.6	3.1	3.0	-2.2	35.3	34.6	-0.3	4.5	4.8	0.7	9.8	11.1	-1.3
Israel	16.4	..	-0.8	23.8	..	-2.2	7.5	..	5.1	6.8	..	1.5	23.8	..	0.2	11.3	..	-0.8	10.4	..	-3.1
Italy	10.8	10.6	-0.9	17.3	17.3	-2.6	3.4	4.6	0.2	6.2	7.7	-0.7	43.5	42.2	-3.2	4.6	4.2	0.0	14.3	13.4	7.2
Japan	10.3	..	0.6	12.2	..	-1.6	1.5	..	0.1	3.4	..	-0.6	50.1	..	-4.6	10.5	..	6.6	12.0	..	-0.6
Korea	10.4	..	-0.6	18.4	..	-1.9	2.0	..	0.1	2.9	..	-0.5	32.1	..	-0.5	16.8	..	5.6	17.4	..	-2.2
Latvia	13.7	15.7	-2.8	26.2	26.2	-2.0	6.1	3.9	3.7	1.1	1.2	-0.7	34.3	31.4	2.3	6.2	7.7	0.2	12.4	14.0	-0.7
Lithuania	11.5	11.7	-1.1	28.6	27.8	-0.6	4.2	4.8	3.1	1.2	1.0	-1.3	40.0	38.8	0.1	4.8	5.6	0.1	9.8	10.3	-0.2
Luxembourg	9.8	10.0	-0.1	23.7	23.5	0.2	2.3	2.8	-0.2	0.4	0.4	-0.4	42.6	42.9	-0.2	8.1	8.4	-0.2	13.0	12.0	0.9
Mexico	10.7	..	-0.9	29.7	..	-0.6	1.2	..	-0.2	8.3	..	-2.0	11.4	..	0.7	24.0	..	-1.9	14.8	..	4.9
Netherlands	13.9	14.4	-0.3	18.4	19.0	-1.2	7.8	4.2	5.0	1.2	1.2	-0.6	46.3	46.3	-3.1	3.9	6.0	0.1	8.5	8.9	0.1
New Zealand	16.5	..	1.0	20.9	..	-1.6	7.1	..	3.3	3.0	..	-0.2	33.8	..	-1.4	5.3	..	-0.2	13.3	..	-0.9
Norway	15.3	15.6	0.5	28.8	28.4	-0.9	4.3	5.3	0.7	0.5	1.1	-0.5	33.4	32.3	0.7	6.3	5.9	0.4	11.3	11.5	-0.9
Poland	13.4	14.4	-0.2	23.6	22.4	-1.0	2.7	2.0	1.4	2.5	3.6	-0.8	40.8	39.2	-0.4	5.3	5.4	0.5	11.6	13.0	0.4
Portugal	12.1	12.6	0.0	24.4	24.1	-1.1	4.2	2.4	3.2	5.0	4.4	-1.9	40.6	41.7	-2.1	5.7	5.9	0.6	8.0	8.9	1.3
Slovak Republic	12.5	14.1	-0.8	24.8	25.1	-0.5	3.0	2.6	0.6	2.4	2.4	-0.6	40.2	42.4	-0.9	9.1	4.7	4.3	7.9	8.7	-2.1
Slovenia	13.1	13.7	-0.8	25.6	24.0	-0.4	4.9	2.8	2.7	2.5	2.4	-1.4	37.2	39.4	-2.7	6.3	4.9	2.1	10.4	12.8	0.4
Spain	11.7	12.3	-0.6	24.2	24.3	-1.4	3.0	4.2	0.7	4.3	5.0	-1.1	43.1	42.1	-0.5	4.0	3.9	0.2	9.8	8.3	2.7
Sweden	16.0	16.5	0.1	25.2	24.6	-0.4	4.3	3.3	1.0	0.8	1.4	-0.4	31.4	30.8	-0.7	12.1	12.3	0.7	10.2	11.1	-0.2
Switzerland	13.5	..	-0.9	20.8	..	-1.3	10.9	..	1.4	0.7	..	-0.2	35.0	..	1.7	7.2	..	-0.1	11.9	..	-0.5
Türkiye	12.7	..	-1.1	24.1	..	-0.5	6.3	..	1.5	8.6	..	1.4	34.9	..	-0.2	2.4	..	-0.7	10.9	..	-0.5
United Kingdom	19.8	19.0	0.6	21.1	20.9	-1.1	6.6	3.4	4.1	5.8	9.3	0.5	33.9	33.8	-2.6	3.3	4.1	-1.3	9.5	9.4	-0.2
United States	14.7	..	-2.1	20.2	..	-3.9	4.6	..	3.7	8.1	..	-2.5	43.7	..	5.8	0.6	..	0.0	8.1	..	-1.0
OECD	13.5	..	-0.7	20.1	..	-2.3	4.6	..	2.3	5.2	..	-1.1	41.5	..	0.9	5.3	..	0.6	9.8	..	0.1
OECD-EU	11.8	12.0	-0.2	20.3	20.2	-1.5	5.1	4.3	2.0	2.8	3.4	-0.7	44.3	43.7	-1.6	5.7	5.9	0.3	10.1	10.4	1.6
Brazil	7.3	..	-0.7	19.2	..	-1.1	0.3	..	-0.1	8.3	..	-3.2	45.6	..	4.8	16.3	..	0.1	3.0	..	0.1
Bulgaria	12.4	12.9	-0.1	26.7	24.2	-0.8	9.0	12.2	2.4	1.2	1.1	-0.4	34.0	36.1	-1.1	9.3	4.8	5.1	7.4	8.6	-5.1
Croatia	16.9	17.3	-0.5	25.4	25.1	0.3	5.4	5.0	2.2	3.2	3.1	-1.6	31.3	31.5	-1.2	4.9	4.5	0.7	13.0	13.4	0.2
Indonesia	17.6	..	-1.8	22.7	..	-2.4	3.9	..	9.7	8.2	..	-0.2	4.2	..	2.8	23.8	..	-1.3	19.6	..	-6.7
Romania	15.2	14.5	-0.3	27.8	24.9	-3.5	1.3	3.0	0.3	2.8	3.0	0.1	33.1	33.7	0.3	5.7	4.9	1.7	14.0	16.0	1.3

Source: OECD National Accounts Statistics (database). Data for Australia are based on a combination of national accounts and government finance statistics data provided by the Australian Bureau of Statistics.

StatLink https://stat.link/ozemi3

Expenditure structure by level of government

Depending on their administrative structure – to a large extent based on whether they are administratively organised as a federal or unitary countries – central, state and local governments are responsible for different functions and have different spending responsibilities. There are several government functions that require co-ordination across government levels and shared funding. The need to improve the quality and efficiency of government spending has confirmed sub-central governments as important players in the implementation of public policies. Indeed, sub-central governments could be considered better equipped than central governments to obtain information on local needs and better placed to tailor the provision of public services (OECD, 2022).

In 2021, on average, central government carried out 45.5% of total public expenditure, while state (21.5%) local governments (14.3%), and social security funds accounted for the remainder. However, there are notable differences among countries. The share of expenditure by central government ranged from 16.4% of the total in Switzerland to 89.3% in New Zealand in 2021. In 2022, 17 of the 26 OECD countries with available data registered increases in the share of central government expenditure compared to 2021, indicating a trend towards a centralisation of spending across the OECD. This might be due to healthcare being increasingly centralised (OECD, 2021b) or due to fall in subnational government revenue relative to the national government as a result of the COVID-19 pandemic (OECD, 2021a) (Figure 11.12).

Despite this general trend, there is variation across countries. In total, 29 out of 37 countries saw a relative increase in central government expenditure between 2019 and 2021. On average, national government expenditure increased by 4.3 p.p. of total spending in the OECD. The United States (7.6 p.p) and Costa Rica (7.9 p.p.) had the largest relative increases in central government expenditure. Chile experienced the largest relative decrease in central government expenditure, by 10 p.p. (Figure 11.13).

Methodology and definitions

Data are from the *OECD National Accounts Statistics* (database) based on the *System of National Accounts* (SNA), a set of internationally agreed concepts, definitions, classifications and rules for national accounting. The 2008 SNA framework has been implemented by all OECD countries (see Annex C). In SNA terminology, general government consists of central, state and local governments, and social security funds. State government only applies to the nine OECD countries that are federal states: Australia, Austria, Belgium, Canada, Germany, Mexico, Spain (deemed a quasi-federal country), Switzerland and the United States. Data exclude transfers between levels of government except in Australia, Chile, Costa Rica, Korea, Türkiye and Indonesia. This is in order to see the contribution of each sub-sector to general government total expenditures, which are consolidated at this level. Expenditures include intermediate consumption, compensation of employees, subsidies, property income (mainly interest spending), social benefits, other current expenditures (mainly current transfers) and capital expenditures (i.e. capital transfers and investments).

Further reading

OECD (2022), *OECD Regions and Cities at a Glance 2022*, OECD Publishing, Paris, *https://doi.org/10.1787/14108660-en*.

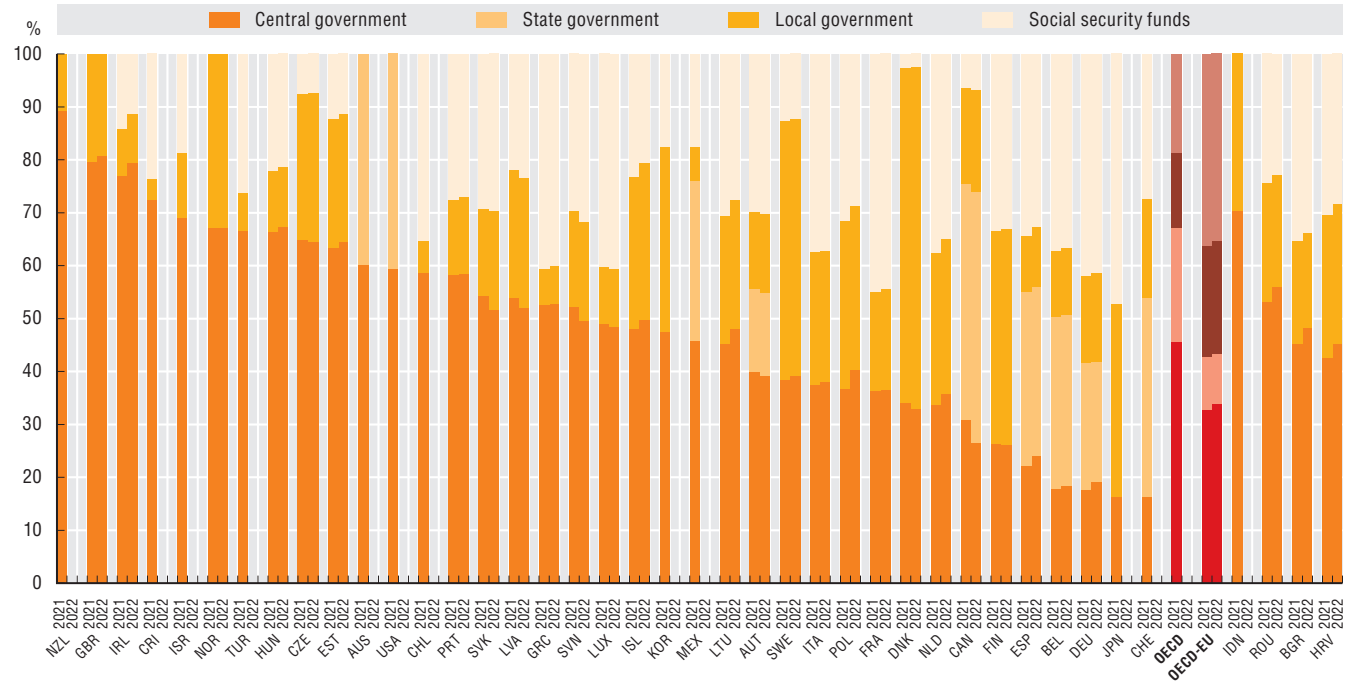
OECD (2021a), *Fiscal Federalism 2022: Making Decentralisation Work*, OECD Publishing, Paris, *https://doi.org/10.1787/201c75b6-en*.

OECD (2021b), "The territorial impact of COVID-19: Managing the crisis and recovery across levels of government", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD Publishing, Paris, *https://doi.org/10.1787/a2c6abaf-en*.

Figure notes

Data for Colombia are not available. Data for Chile and Türkiye not included in the OECD average. Flows between levels of government are excluded (apart from Australia, Chile, Costa Rica, Korea, Türkiye and Indonesia). For Japan data for sub-sectors of general government refer to fiscal years. Local government is included in state government for Australia and the United States. Australia does not operate government social insurance schemes. Social security funds are included in central government for New Zealand, Norway, the United Kingdom and the United States. Data for Türkiye and Indonesia refer to 2020 rather than 2021.

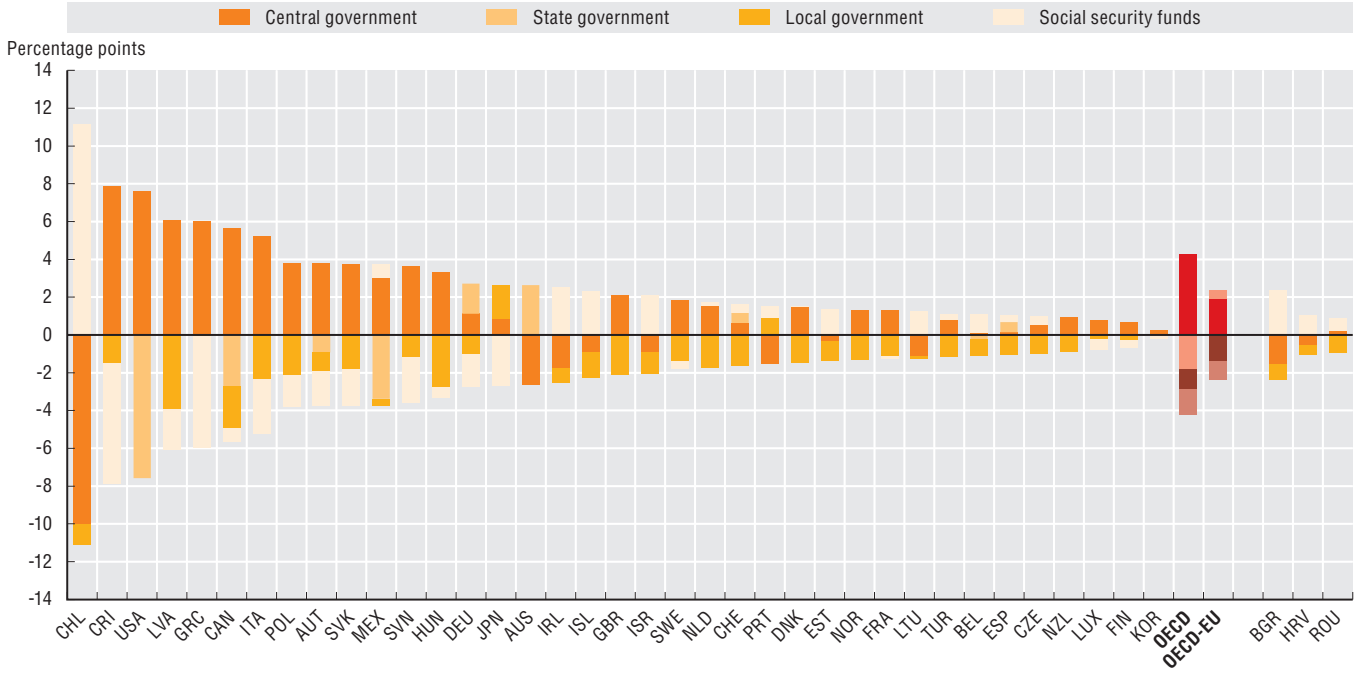
11.12. Distribution of general government expenditures across levels of government, 2021 and 2022



Source: OECD National Accounts Statistics (database).

StatLink https://stat.link/tvxolc

11.13. Change in the distribution of general government expenditures across levels of government, 2019 to 2021



Source: OECD National Accounts Statistics (database).

StatLink https://stat.link/7duth6

Government investment spending

Public investment can enhance productivity and promote economic growth, foster societal wellbeing, and support long-term policies. Government expenditures can be considered investments if they are directed towards durable assets like transport and energy infrastructure, healthcare and education facilities, IT systems, defence systems, and intangible assets such as research and development. Government investment often includes purchases needed to implement long-term policies, such as promoting sustainable development by investing in green energy infrastructure.

Across OECD countries, government investment spending averaged 3.4% of GDP in 2021, ranging from 6.6% of GDP (and 6.9% in 2022) in Hungary to 1.7% in Mexico. Investment rose in 22 of 38 countries between 2019 and 2021, with an overall average increase across all OECD countries of 0.1 p.p of GDP. The largest increases were in Greece (1.2 p.p.), Portugal (0.9 p.p.), Slovenia (0.8 p.p.) and Iceland (0.7 p.p.). In 2022, across the OECD-EU countries investment amounted to 3.3% of GDP. In 9 of these countries plus Canada, public investment rose between 2021 and 2022. The largest increase relative to GDP was in Slovenia (0.7 p.p.) (Figure 11.14). Government investment represented 15% of total investment on average across OECD countries in 2021 (Online Figure G.6.8).

Investment spending as a share of total government spending provides a measure of the relative importance of capital formation in overall expenditures. It averaged 7.4% of total spending in 2021, down from 8.1% in 2019. Israel and Colombia experienced the largest decreases in investment as share of total spending over this period (3.5 p.p. and 2.8 p.p. respectively). However, this share increased between 2021 and 2022 in 22 out of the 26 countries with data for both years. The largest rises were in Slovenia (2.4 p.p.), Canada (1.5 p.p.), Austria (1.4 p.p.) and Ireland and the Slovak Republic (both 1.0 p.p.) (Figure 11.15).

The distribution of investment expenditure across levels of government varies considerably, especially between federal and unitary countries. In 2021, on average across OECD countries, 42.6% of government investment was carried out by central government, while 28.5% was conducted by state and 28.3% by local governments. In 23 out of 37 OECD countries, central government accounted for over half of government investment. Typically, government investment in non-federal countries is predominantly carried out by central government, as in Chile (88.6%), Türkiye (86.9%), Hungary (79.8%) and the United Kingdom (71.2%). In highly decentralised or federal countries, it is primarily carried out by state and, to a lesser extent, local governments. For example in Canada the shares are 4.9% central, 54.1% state and 41.0% local government; in Belgium 23.5%, 51.8% and 24.1%; and in Mexico 29.4%, 39.4% and 28.2%. Between 2021 and 2022, central government's share of investment expenditure grew in 17 of the 26 OECD countries with available data (Figure 11.16).

Methodology and definitions

Data are from the *OECD National Accounts Statistics* (database) based on the *System of National Accounts* (SNA), a set of internationally agreed concepts, definitions, classifications and rules for national accounting. The 2008 SNA framework has been implemented by all OECD countries (see Annex C). General government investment includes gross capital formation and acquisitions, less disposals of non-produced nonfinancial assets. Gross fixed capital formation (also called fixed investment) is the main component of investment. For government, it mainly consists of transport infrastructure but also includes infrastructure such as office buildings, housing, schools and hospitals. In the SNA 2008 framework, expenditures in research and development have also been included in fixed investment. Government investments together with capital transfers constitute the category of government capital expenditures. Government consists of central, state and local governments and social security funds. State government is only applicable to the nine OECD countries that are federal states: Australia, Austria, Belgium, Canada, Germany, Mexico, Spain (considered a quasi-federal country), Switzerland and the United States.

Further reading

OECD (2022), "Policy guidance on market practices to strengthen ESG investing and finance a climate transition", *OECD Business and Finance Policy Papers*, No. 13, OECD Publishing, Paris, *https://doi.org/10.1787/2c5b535c-en*.

OECD (2019), *Effective Multi-level Public Investment: OECD Principles in Action*, OECD, Paris, *www.oecd.org/effective-public-investment-toolkit/Full_report_Effective_Public_Investment.pdf*.

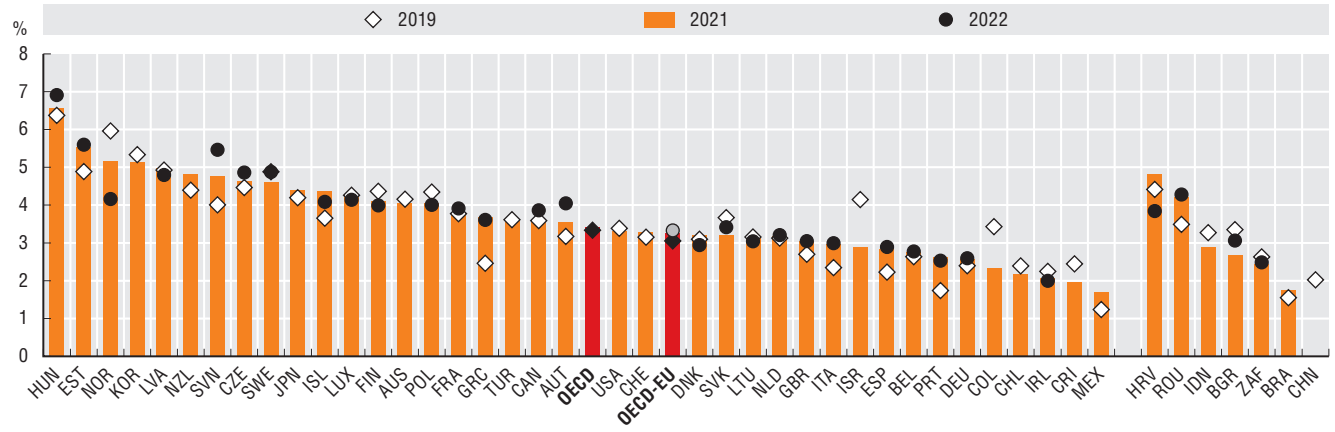
Figure notes

11.14. and 11.15. Data for Chile and Türkiye and are not included in the OECD average. Data for Türkiye, Brazil and Indonesia are for 2020 rather than 2021.

11.16. Data for Colombia are not available. Data for Chile and Türkiye are not included in the OECD average. Local government is included in state government for Australia and the United States. Australia does not operate government social insurance schemes. Social security funds are included in central government in New Zealand, Norway, the United Kingdom and the United States. Data for Türkiye and Indonesia are for 2020 rather than 2021.

G.6.8 (Government investment as a share of total investment, 2019 and 2021) and G.6.9 (Structure of general government investment by function, 2021) are available online in Annex G.

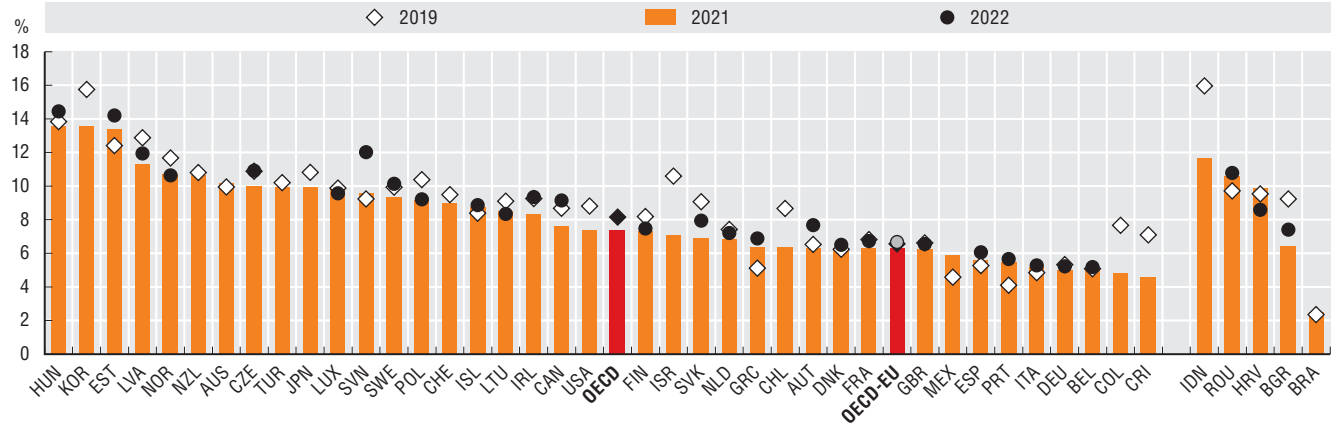
11.14. Government investment as percentage of GDP, 2019, 2021 and 2022



Source: OECD National Accounts Statistics (database).

StatLink https://stat.link/1h85ot

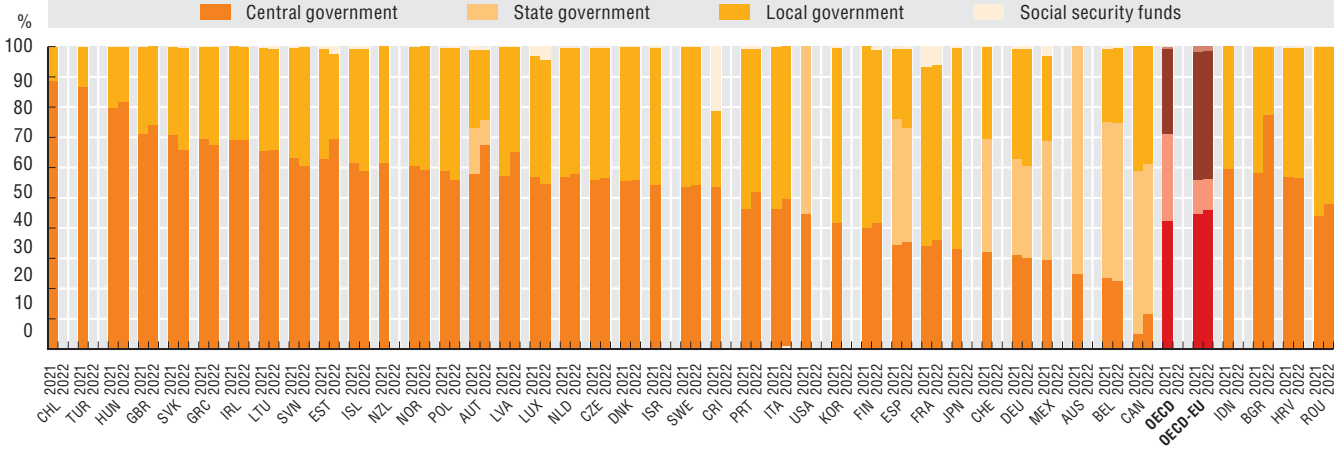
11.15. Government investment as a share of total government expenditures, 2019, 2021 and 2022



Source: OECD National Accounts Statistics (database).

StatLink https://stat.link/lf2axe

11.16. Distribution of investment spending across levels of government, 2021 and 2022



Source: OECD National Accounts Statistics (database).

StatLink https://stat.link/anwz95

General government fiscal balance

The fiscal balance is the difference between a government's revenues and its expenditures. It signals if public accounts are balanced or if there are surpluses or deficits. Recurrent deficits over time imply the accumulation of public debt and may send worrying signals to consumers and investors about the sustainability of public accounts which, in turn, may deter consumption or investment decisions. Nonetheless, if debt is kept at a sustainable level, deficits can help to finance necessary public investment, or in exceptional circumstances, such as unexpected external shocks (e.g. pandemics, wars or natural disasters), can contribute to maintaining living conditions and preserving social stability.

In 2021, the average general government fiscal balance in OECD countries amounted to -7.5% of GDP (Figure 11.17). Only Norway (10.6% of GDP), Denmark (3.6%) and Luxembourg (0.7%) reported surpluses while accounts were balanced in Sweden. These four countries were also the only ones that reported surpluses in 2022 among the 27 OECD countries for which 2022 data are available. The general government fiscal balance in the OECD overall and its largest economies followed a similar trend in the period 2007-22 (Figure 11.18). The most acute effects of two major global shocks were recorded in 2009, during the global financial crisis (when the OECD average deficit reached 8.5% of GDP), and in 2020, during the COVID-19 pandemic (average deficit of 10.2% of GDP). After 2009, both the OECD as a whole and the largest OECD economies made consolidation efforts, with different degrees of intensity (Figure 11.18). The rebound to smaller deficits in 2021 and 2022 after the deep low of 2020 has been faster than expected (OECD, 2023).

The general government primary balance is the difference between revenues and expenditures excluding interest payments. It sheds light on a government's capacity to honour its financial commitments without incurring extra debt. It is a more accurate indicator of the overall state of public finances in a country than the general fiscal balance. In 2021, the average primary balance across OECD countries was -5.6% of GDP (Figure 11.19). This indicates that governments were borrowing money to pay for some of the goods and services they were providing for citizens and businesses in that year. Norway (9.1% of GDP), Denmark (3.4%), Costa Rica (1.7%) and Luxembourg (0.4%) were the only OECD countries that recorded a primary surplus. Among OECD-EU countries the primary balance improved in 2022, from an average deficit of 3.6% of GDP in 2021 to an average deficit of 2.1% of GDP in 2022.

Net interest payments for debt servicing are an inflexible part of public budgeting and have to be honoured to guarantee access to international financial markets and multilateral funds. On average, net interest payments among OECD countries in 2021 amounted to 1.9% of GDP (11.19). The countries with the highest payments as a share of GDP were Italy (3.4% of GDP), the United States (3.2%) and Colombia (3.0%). In OECD countries with available information, the largest increases in net interest payments between 2021 and 2022 occurred in the United Kingdom (1.4 percentage points), Italy (0.8 p.p.) and France (0.5 p.p.). The largest decrease was in net interest payments over this period was Portugal, in where payments fell by 0.5 p.p.

Methodology and definitions

Fiscal balance data are derived from the *OECD National Accounts Statistics* (database), based on the *System of National Accounts* (SNA), a set of internationally agreed concepts, definitions, classifications and rules for national accounting. The 2008 SNA framework has been implemented by all OECD countries (see Annex C for details on reporting systems and sources). Using SNA terminology, general government consists of central government, state government, local government and social security funds.

Fiscal balance, also referred to as net lending (+) or net borrowing (-) of general government, is calculated as total government revenues minus total government expenditures. Revenues encompass taxes, net social contributions, and grants and other revenues. Expenditures comprise intermediate consumption, compensation of employees, subsidies, property income (including interest spending), social benefits, other current expenditures (mainly current transfers) and capital expenditures (i.e. capital transfers and investments).

The primary balance is the fiscal balance excluding net interest payments on general government liabilities (i.e. interest payments minus interest receipts). Gross domestic product (GDP) is the standard measure of the value of goods and services produced by a country during a period.

Further reading

OECD (2023), *OECD Economic Outlook, Interim Report March 2023: A Fragile Recovery*, OECD Publishing, Paris, *https://doi.org/10.1787/d14d49eb-en*.

OECD (2022), *OECD Economic Outlook, Volume 2022 Issue 2*, No. 112, OECD Publishing, Paris, *https://doi.org/10.1787/f6da2159-en*.

Robinson, M. (2022), "Public finances after the COVID-19 pandemic", *OECD Journal on Budgeting*, Vol. 22/3, *https://doi.org/10.1787/f26b2a3b-en*.

Figure notes

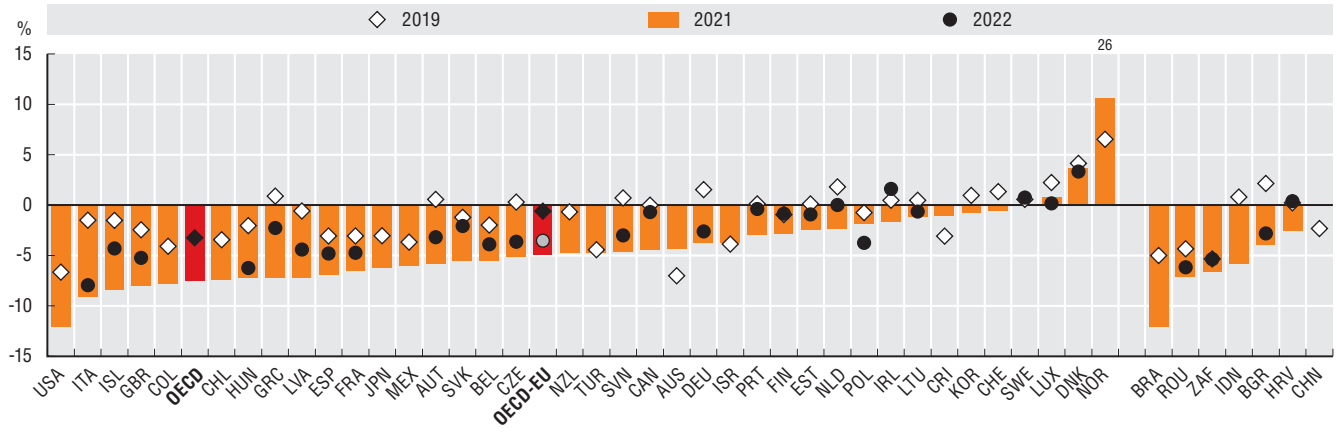
Data for Türkiye are not included in the OECD average.

11.17 and 11.18. Data for Chile are not included in the OECD average.

11.17 and 11.19. Data for Türkiye, Brazil and Indonesia are for 2020 rather than 2021.

11.19. Data for Chile are not available.

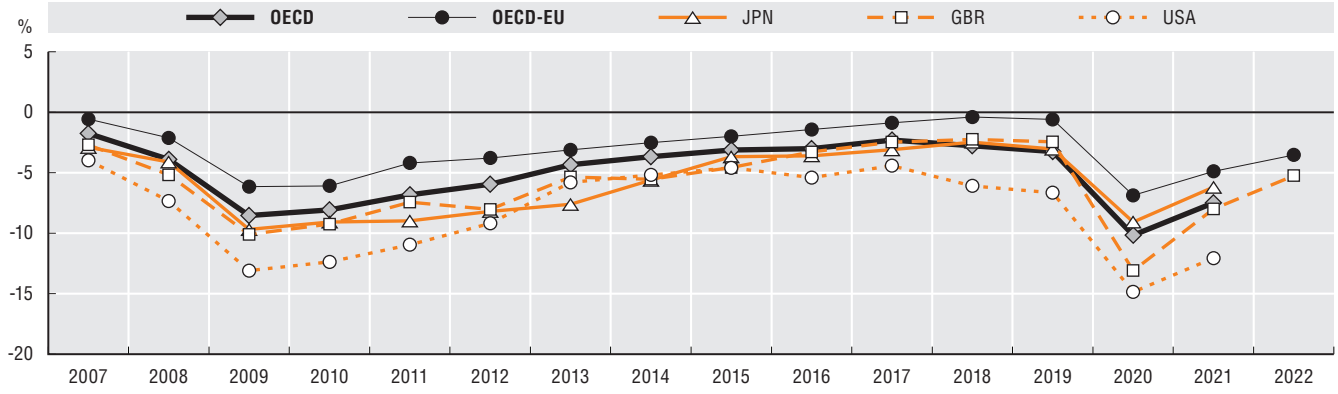
11.17. General government fiscal balance as a percentage of GDP, 2019, 2021 and 2022



Source: OECD National Accounts Statistics (database).

StatLink https://stat.link/cutsya

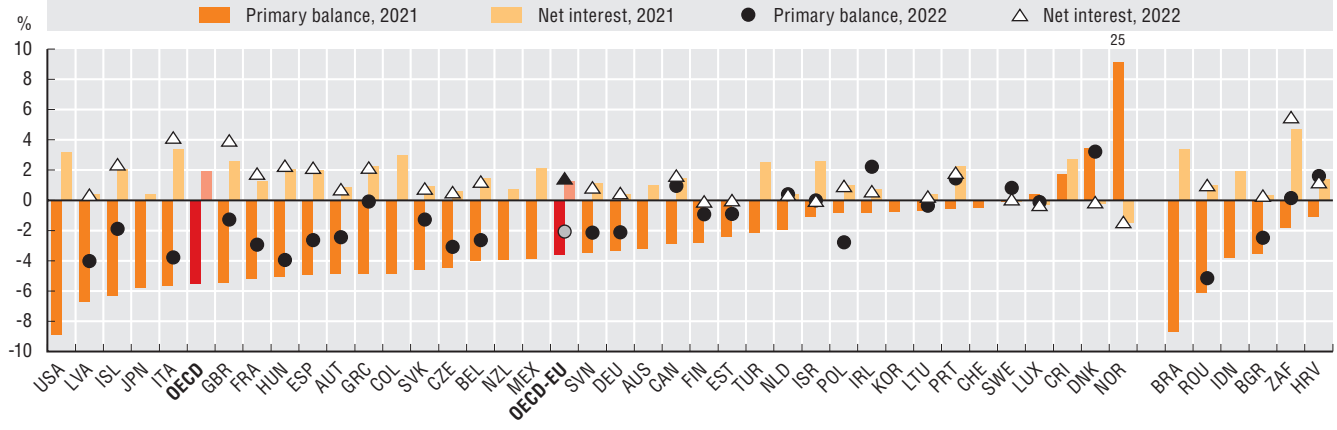
11.18. General government fiscal balance as a percentage of GDP, OECD and largest OECD economies, 2007 to 2022



Source: OECD National Accounts Statistics (database).

StatLink https://stat.link/aw6ubi

11.19. General government primary balance and net interest spending as a percentage of GDP, 2021 and 2022



Source: OECD National Accounts Statistics (database).

StatLink https://stat.link/7k86tp

General government structural balance

The structural or underlying fiscal balance is the difference between government revenues and expenditures corrected for effects that could be attributed to the economic cycle and one-off events. Removing the effects of economic fluctuations from the figures enables policy makers to identify the underlying trends of economic aggregates and allows them to better assess the sustainability of public finances in the long run. Government revenues tend to decline during economic downturns, as incomes fall. At the same time, public spending tends to increase, as more people claim social assistance or unemployment benefits. Governments may also increase public expenditure to stimulate the economy. All these effects were visible during the COVID-19 pandemic. The structural balance is a measure of the budget balance a government would have with its current policies if the economy was operating at its full potential ("potential GDP").

In 2022, the average general government structural balance across OECD countries was -3.5% of potential GDP, the same value as in 2019 (Figure 11.20). Denmark (2.1%), Finland (0.1%), Ireland (1.2%), Luxembourg (0.4%), Norway (0.1%) and Switzerland (0.8%) reported structural surpluses in 2022. Between 2021 and 2022 the average general government structural deficit decreased by 3.3 percentage points, from an average deficit of 6.8% of potential GDP in 2021. Over that period, structural deficits decreased the most in the United States (7.7 p.p.), Estonia (4.7 p.p.) and the Slovak Republic (3.4 p.p).

The general government structural primary balance is the primary balance adjusted for the impact of net interest payments on general government liabilities (i.e. interest payments minus interest receipts). In 2021 the average structural primary balance in OECD countries amounted to -5.2% of potential GDP, improving to -1.6% in 2022 (Figure 11.21). In the period 2007-22 the average level of structural primary deficit across OECD countries peaked in 2020 at 5.7% of potential GDP (see Online Figure G.6.10). The 2020 value records the structural deterioration of economic conditions resulting from the COVID-19 pandemic that triggered economic changes, such as an uptick on spending and supply chain disruptions (OECD, 2021).

By 2024, the average structural primary balance is projected to be closer to equilibrium at -0.5% of potential GDP (Figure 11.22). The greatest improvements in the structural primary balance between 2022 and 2024 are forecast to be the highest in Hungary (5.0 p.p.), Austria (2.5 p.p.), Latvia (2.4 p.p.) and Germany (2.2 p.p.). While the economic outlook is still fragile, this positive trend is driven by positive expectations of businesses and consumers, weak but positive economic growth, food and energy prices starting to decrease and an overall mitigation of inflationary trends (OECD, 2023).

Methodology and definitions

Data are derived from the *OECD Economic Outlook*, No.113 (database). The structural fiscal balance, or underlying balance, represents the fiscal balance as reported in the *System of National Accounts* (SNA) framework adjusted for two factors: the state of the economic cycle (as measured by the output gap) and one-off fiscal operations. Potential GDP is not directly observable, and estimates are subject to substantial margins of error. One-off factors include both exceptional and irregular fiscal transactions as well as deviations from trend in net capital transfers. For more details, see Sources and Methods of the OECD Economic Outlook (*www.oecd.org/eco/outlook/sources-and-methods.htm*).

Further reading

OECD (2023), *OECD Economic Outlook, Interim Report March 2023: A Fragile Recovery*, OECD Publishing, Paris, *https://doi.org/10.1787/d14d49eb-en*.

OECD (2021), "Global value chains: Efficiency and risks in the context of COVID-19", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD Publishing, Paris, *https://doi.org/10.1787/67c75fdc-en*.

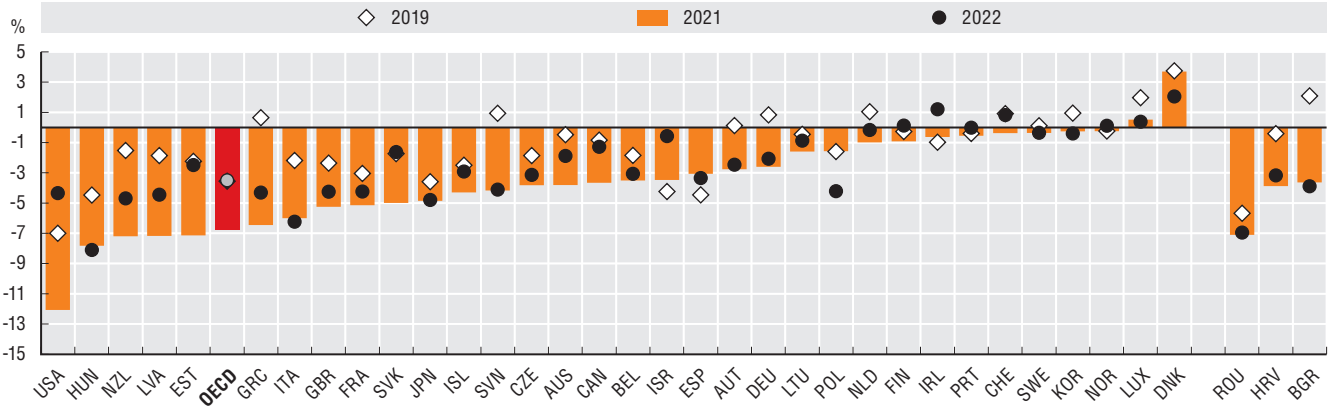
Guillemette, Y. and D. Turner (2021), "The long game: Fiscal outlooks to 2060 underline need for structural reform", *OECD Economic Policy Papers*, No. 29, OECD Publishing, Paris, *https://doi.org/10.1787/a112307e-en*.

Figure notes

Data for Chile, Colombia, Costa Rica, Mexico and Türkiye are not available.

G.6.10 (General government structural primary balance as a percentage of potential GDP, OECD and largest OECD economies, 2007 to 2024) is available online in Annex G.

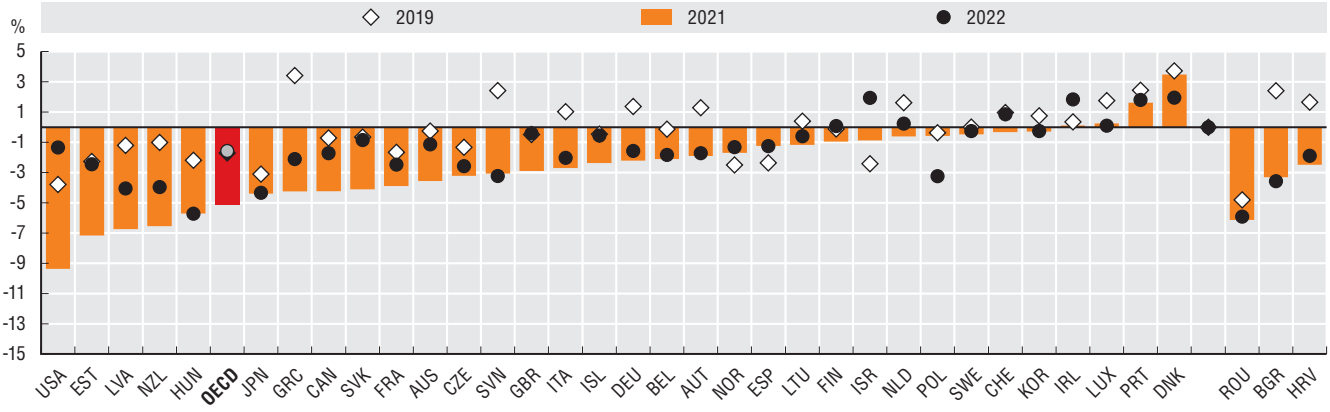
11.20. General government structural balance as a percentage of potential GDP, 2019, 2021 and 2022



Source: OECD Economic Outlook, No 113, June 2023.

StatLink https://stat.link/2sa8l3

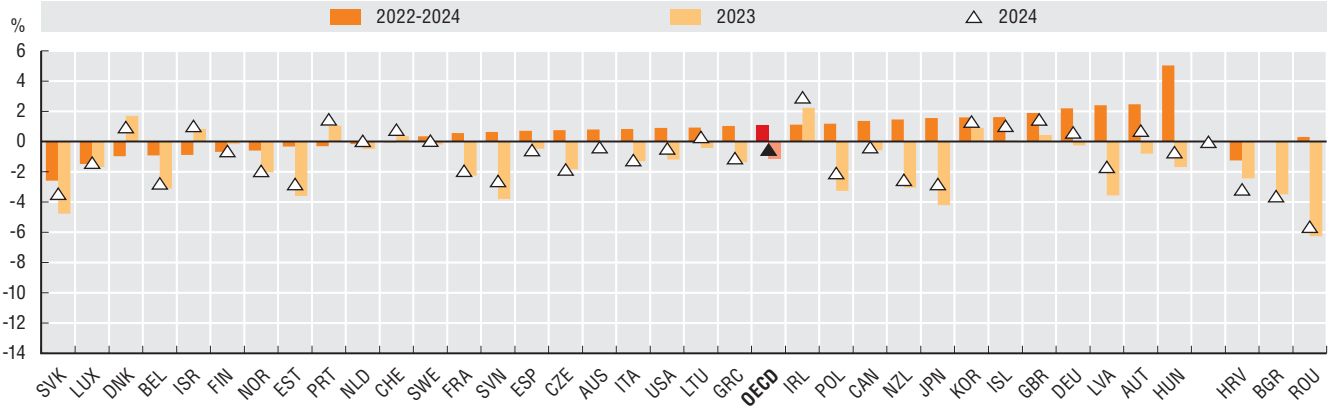
11.21. General government structural primary balance as a percentage of potential GDP, 2019, 2021 and 2022



Source: OECD Economic Outlook, No 113, June 2023.

StatLink https://stat.link/ceu76n

11.22. Projected general government structural primary balance as a percentage of potential GDP in 2023 and 2024, and projected change between 2022 and 2024



Source: OECD Economic Outlook, No 113, June 2023.

StatLink https://stat.link/pu4dex

Inequality reduction and poverty

Increases in income inequality have been associated with worsening political polarisation and disenchantment with political systems (Winkler, 2019). The global economic situation following the COVID-19 pandemic and Russia's war of aggression against Ukraine has resulted in high inflation and sharp increases in energy and food prices, which disproportionately affect low-income and vulnerable households and could have long-lasting impacts on people's wellbeing and living standards. OECD countries are implementing a range of policies to address rising prices and redistribute income between richer and poorer households, such as targeted and non-targeted cash transfers, vouchers and subsidies to households and firms, price control measures, and tax reductions (OECD, 2022). Monitoring changes in income inequality will be key to assessing the effectiveness of such measures.

Even before the current crises, reducing income inequality has been a long-standing objective of OECD countries. The average Gini coefficient of income inequality in 2019 was 0.41 before taxes and transfers (market income) and 0.31 after taxes and transfers (disposable income), where 0 represents perfect equality and 1 perfect inequality. A large difference between market and disposable income inequality implies greater government redistribution. Countries with the largest differences include Finland (0.26 points), Ireland (0.17) and Belgium (0.15). Chile (0.025), Korea (0.04) and Switzerland (0.05) have among the smallest differences (Figure 11.23).

Societies with high levels of income inequality often also have high levels of relative poverty. Income redistribution and inequality reduction measures may also reduce poverty. In 2019, across OECD countries, the relative poverty rate after taxes and transfers was around 12% of the population, although with large variations among countries. In Costa Rica, 20% of the population were below the poverty line in 2019, compared to only 5% in Iceland. Between 2012 and 2019, the relative poverty rate after taxes and transfers remained stable or fell in 70% of OECD countries. Lithuania and Germany reported the largest increases of about 3 percentage points (Figure 11.24).

Perceptions of fair treatment may affect people's demand for inequality reduction and could influence government action towards redistributive policies (Ciani, Fréget and Manfredi, 2021). On average, people in OECD countries are sceptical that public employees would treat the rich and poor equally, with only 40% believing this was likely. Denmark and the Netherlands do best on this measure, with 52% of respondents in both countries confident that this would happen (Figure 11.25).

Methodology and definitions

Data are drawn from the OECD Income Distribution Database (*oe.cd/idd*). The Gini coefficient is a standard measure of inequality within a given country. Income redistribution is measured by comparing Gini coefficients for households' market income (i.e. total income from market sources) and disposable income (i.e. total income from market sources plus current government transfers and direct taxes on income and wealth taxes and social security contributions) of the working-age population (18-65 years). The relative poverty rate after taxes and transfers is the share of people whose income is below the poverty line (50% of the current median equivalised disposable income of the entire population). Trends are calculated compared to 2012, which is the first year in which the new income definition was implemented.

The OECD explores perceptions of public governance using nationally representative survey data from the OECD Trust Survey conducted across 22 countries. Most countries were surveyed in November-December 2021, with a few surveys taking place in 2020 and January-March 2022.

Further reading

OECD (2022), *Tax Policy Reforms 2022: OECD and Selected Partner Economies*, OECD Publishing, Paris, *https://doi.org/10.1787/067c593d-en*.

Ciani, E., L. Fréget and T. Manfredi (2021), "Learning about inequality and demand for redistribution: A meta-analysis of in-survey informational experiments", *OECD Papers on Well-being and Inequalities*, No. 02, OECD Publishing, Paris, *https://doi.org/10.1787/8876ec48-en*.

Winkler, H. (2019), "The effect of income inequality on political polarization: Evidence from European regions, 2002–2014", *Economics & Politics*, Vol. 31/2, pp. 137-162, *https://doi.org/10.1111/ecpo.12129*.

Figure notes

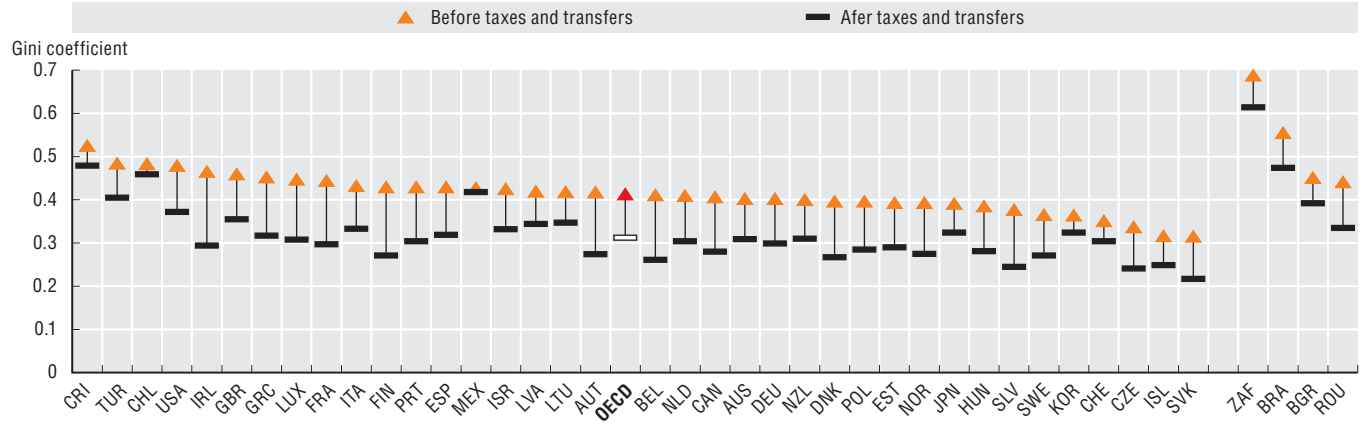
11.23 and 11.24. The latest data refer to 2019 for all countries except Costa Rica and the United States (2021); Australia, Canada, Latvia, Korea, Mexico, the Netherlands, New Zealand, Norway, Sweden and the United Kingdom (2020); Ireland, Italy, Japan and Poland (2018); Chile, Iceland and South Africa (2017). No data available before 2018 for Belgium and Japan or before 2015 for Luxembourg and South Africa. Earlier data for Brazil, Chile, Estonia, Sweden and the United States are from 2013.

11.23. Before taxes and transfers data for Mexico are post taxes but before transfers.

11.25. The question displayed is "If a public employee has contact with the public in the area where you live, how likely or unlikely is it that they would treat both rich and poor people equally? Likely corresponds to responses of 6-10 on a 0-10 scale, neutral to 5 and unlikely to 0-4. "OECD" presents the unweighted average across countries. Data for Finland are not available.

11.23. Differences in household income inequality pre- and post-tax and government transfers, 2019

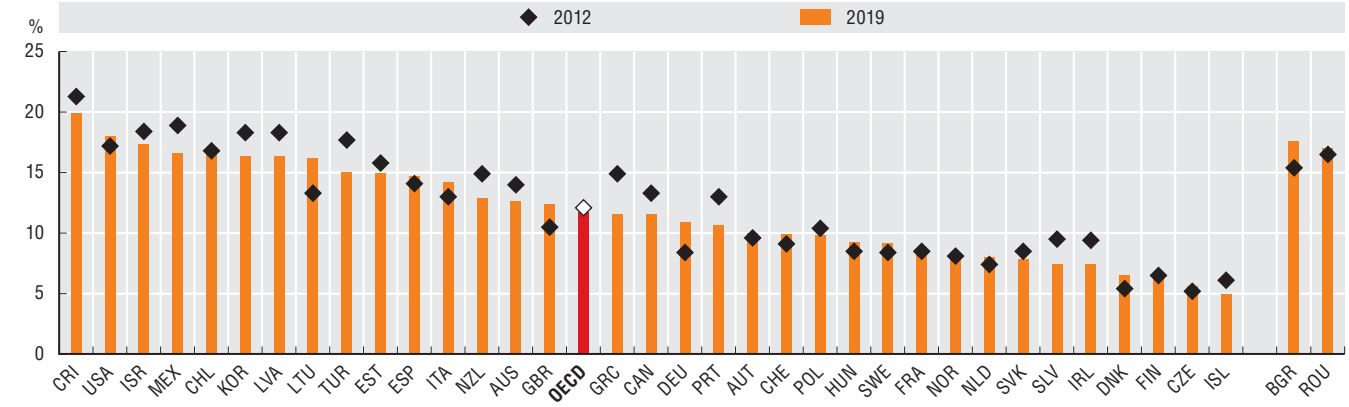
Household income inequality of the working-age population (18-65)



Source: OECD Income Distribution (database).

StatLink https://stat.link/v14sn3

11.24. Relative poverty rate after taxes and transfers, 2019 and 2012

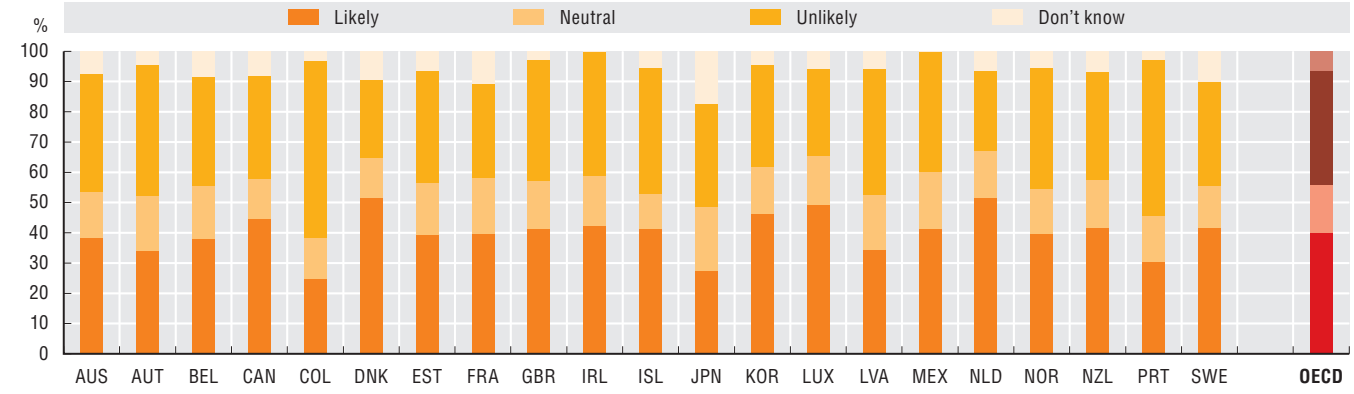


Source: OECD Income Distribution (database).

StatLink https://stat.link/p5zjwo

11.25. Perceptions of equal treatment of the rich and poor, 2021

Share of respondents reporting different levels of perceived likelihood that a public employee would treat both rich and poor people equally (on a 0-10 scale), 2021



Source: OECD Trust Survey (*http://oe.cd/trust*).

StatLink https://stat.link/ei7og6

12. PUBLIC EMPLOYMENT AND REPRESENTATION

Employment in general government

Gender equality in public sector employment

Gender equality in politics

Gender equality in the judiciary

Youth representation in politics

Employment in general government

Governments across the OECD perform a wide range of functions, all of which depend on a dedicated and skilled public sector workforce. Governments decide which services should be delivered directly through public organisations and which through various forms of partnerships with the private or not-for-profit sectors. The roles and functions of the public sector relative to other sectors therefore vary across OECD countries, affecting the relative size of public employment. For example, in some countries, the large majority of health care providers, teachers and emergency workers are directly employed by the government. In others, these workers are mainly employed by private or non-profit organisations.

The size of general government employment varies significantly among OECD countries (Figure 12.1). Nordic countries such as Norway, Sweden and Denmark report the highest levels of general government employment, close to 30% of total employment in 2021. In contrast, Japan and Korea report the lowest levels among OECD countries, with general government employment below than 10% of total employment.

Overall, the share of general government employment has remained relatively stable over time, with a small increase between 2019 and 2021 during the COVID-19 pandemic. The OECD average was 18.1% in 2019, close to 2007 value, and slightly increased to 18.6% in 2021, a rise of 0.5 percentage points. The largest increase was in Latvia where the share of general government employment rose by 1.5 p.p. between 2019 and 2021, followed by Costa Rica and Estonia, where it rose by 1.4 p.p. On the other hand, general government employment fell as a share of total employment in Poland (-0.4 p.p.), and France (-0.2 p.p.) over the same period.

The increase in the share of general government employment between 2019 and 2021 was due to a combination of general government employment increasing (by an average of 1.5% per year) and total employment falling slightly by -0.1% per year (Figure 12.2). General government employment grew in all but 3 OECD countries (Costa Rica, Italy and the United States), while total employment grew in only 14 OECD countries. Even in countries where the total employment rose, it tended to grow more slowly than general government employment. For example, in Korea general government employment grew at an annual rate of 4.6% while total employment only grew at 0.4%. In Mexico, general government employment grew by 1.2% while total employment shrank by -3.2%. Total employment and government employment both fell in Costa Rica, Italy and the United States, but total employment fell faster. Only France and Poland experienced a faster increase in total employment than in general government employment, resulting in a reduction of the share of government workers. In France, general government employment grew by 0.5% annually compared to 0.9% for total employment, while in Poland, general government employment only grew by 0.1% compared to 1.3% for total employment.

Methodology and definitions

Data are derived from the OECD National Accounts Statistics (database), which are based on the System of National Accounts (SNA), a set of internationally agreed concepts, definitions, classifications and rules for national accounting. General government employment covers employment in all levels of government (central, state, local and social security funds) and includes core ministries, agencies, departments and non-profit institutions that are controlled by public authorities. The data represent the total number of persons directly employed by those institutions. Total employment covers all persons engaged in productive activity that falls within the production boundary of the national accounts. The employed comprise all individuals who, during a specified brief period, were in either paid employment or self-employment.

Further reading

OECD (2023), *Public Employment and Management 2023: Towards a More Flexible Public Service*, OECD Publishing, Paris, https://doi.org/10.1787/5b378e11-en.

OECD (2021), *Public Employment and Management 2021: The Future of the Public Service*, OECD Publishing, Paris, *https://doi.org/10.1787/938f0d65-en*.

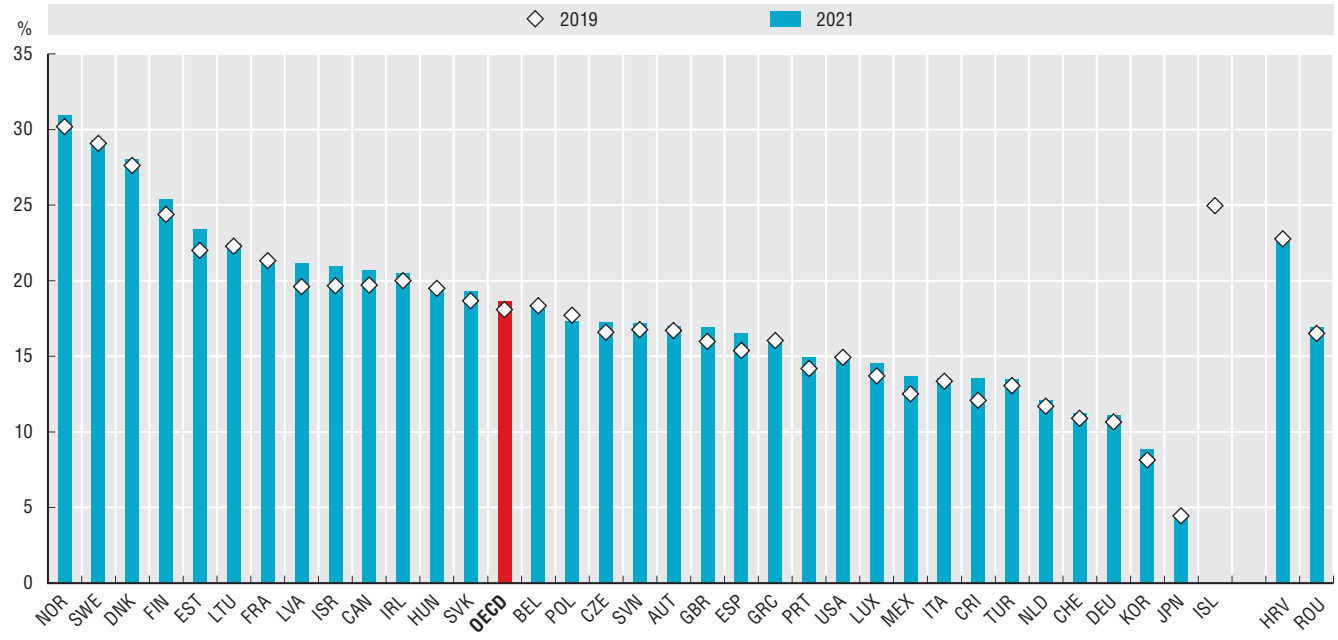
Figure notes

Total employment refers to domestic employment. Data for Costa Rica, Iceland, Japan and Korea are not included in the OECD average. Data for Chile, Colombia and New Zealand are not available. Comparable data for Australia are not available. Data for Japan do not include social security funds.

12.1. Data for Costa Rica, Switzerland and Romania are for 2020 rather than 2021.

12.2. Data for Iceland are not available. Data for Costa Rica, Switzerland and Romania refer to 2019-20.

12.1. Employment in general government as a percentage of total employment, 2019 and 2021



Source: OECD National Accounts Statistics (database). Data for Iceland, Japan, Mexico, Türkiye and the United States are from the International Labour Organization (ILO), *ILOSTAT* (database), *Public employment by sectors and sub-sectors of national accounts*.

StatLink https://stat.link/u0zaox

12.2. Annual average growth rate of general government employment and total employment, 2019-21

Source: OECD National Accounts Statistics (database). Data for Japan, Mexico, Türkiye and the United States are from the International Labour Organization (ILO), *ILOSTAT* (database), *Public employment by sectors and sub-sectors of national accounts*.

StatLink https://stat.link/oanwtm

Gender equality in public sector employment

The OECD Recommendations on Public Service Leadership and Capability and on Gender Equality in Public Life underscore the need to build diverse workforces and ensure equal opportunities for under-represented groups. Equal representation of women and men in the public sector is a key indicator of progress towards diversity and gender equality, and is needed if public policies and services are to adequately reflect the interests of all members of the society.

In 2020, women made up a larger share of public sector employees in OECD countries on average (58.9%) than of total employment (45.4%) and this was the case in all OECD countries except Austria and Luxembourg. The difference is more than 20 percentage points in Sweden, Finland, Norway and Denmark (Figure 12.3). One reason for this phenomenon is that some public sector occupations, such as teachers or nurses, are female dominated as they are often traditionally considered "women's jobs". Although the share of women in the public sector workforce increased between 2011 and 2020 by +1.8 p.p. across OECD countries, many countries are taking steps to eliminate this occupational segregation and tackle gender stereotypes (OECD, 2019).

Only 8 out of 26 OECD-EU countries, Finland, Greece, Iceland, Latvia, Lithuania, Portugal, the Slovak Republic and Slovenia achieved gender parity in senior management positions in central administrations in 2021 (Figure 12.4). On average across OECD-EU countries, 40.8% of senior positions were held by women in 2021. Since 2011, the share of women in senior positions grew in most countries, except Hungary and the Slovak Republic, where it fell slightly. The increase was greatest in Finland, where the share of women in senior management more than doubled between 2011 and 2021, from 24.4% to 56.3%. However, in almost all OECD-EU countries, the share of women in senior management positions is lower than for public sector employment as a whole, possibly indicating difficulties in climbing the leadership ladder in the public sector. Policies that could contribute to achieving gender balance in the most senior levels of administration include developing a diversity strategy or setting hiring and promotion targets for women.

Methodology and definitions

Data on public sector employment are from the International Labour Organisation (ILO) *ILOSTAT* (database). Data are based on the Labour Force Survey unless otherwise indicated. Public sector employment covers employment in general government plus employment in publicly owned resident enterprises and companies. Data represent the total number of people employed directly by those institutions, without regard to the particular type of employment and working hours.

Data on senior management positions by gender in national administrations are from the European Institute for Gender Equality (EIGE) Gender Statistics (database). National administrations cover central administrations, also referred to as ministries and/or departments of a national government led by a minister. Data on women and men in decision-making (WMID) authorities refer to senior positions as the sum of level 1 and level 2 administrators: level 1 administrators include all administrative (non-political) positions from the head of the ministry down to the level of head of directorate or similar, where a directorate is a major section within the ministry; level 2 administrators include all positions below the head of directorate down to the level of head of division/department, where a division/department is the first level of organisation below the directorate (i.e. the second level of functional organisation). This classification differs from the classification and definition of occupations as described in Annex F.

Further reading

OECD (2023), *Public Employment and Management 2023: Towards a More Flexible Public Service*, OECD Publishing, Paris, https://doi.org/10.1787/5b378e11-en.

OECD (2021), *Public Employment and Management 2021: The Future of the Public Service*, OECD Publishing, Paris, *https://doi.org/10.1787/938f0d65-en*.

OECD (2019), "Recommendation of the Council on Public Service Leadership and Capability", *OECD Legal Instruments*, OECD, Paris, *https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0445*.

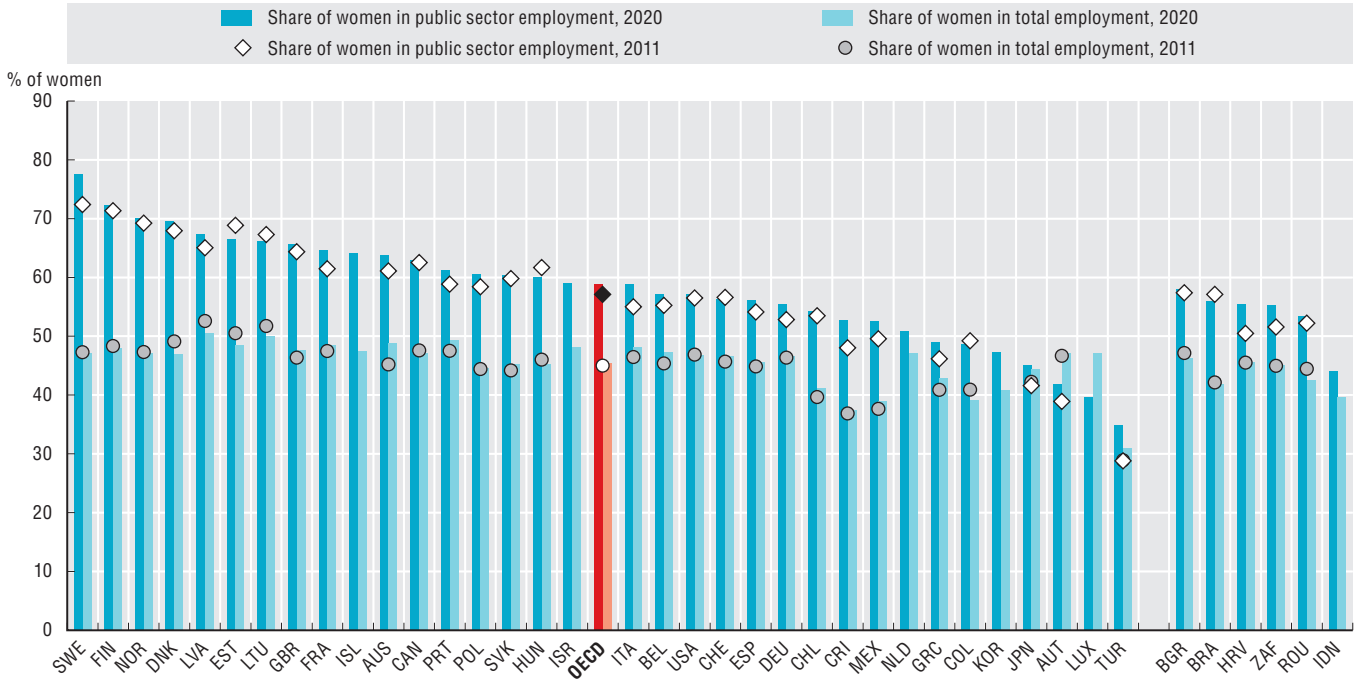
Nolan-Flecha, N. (2019), "Next generation diversity and inclusion policies in the public service: Ensuring public services reflect the societies they serve", *OECD Working Papers on Public Governance*, No. 34, OECD Publishing, Paris, *https://doi.org/10.1787/51691451-en*.

Figure notes

12.3. Data for the Czech Republic, Ireland, New Zealand and Slovenia are not available. Data for Germany and Brazil are based on administrative records or continuous national household surveys. Data for Iceland, Israel, Korea, Luxembourg and the Netherlands are not included in the average. Data for Belgium, Germany, Korea, Japan, Poland, Spain and Indonesia are for 2019 rather than 2020. Data for Hungary and Luxembourg are for 2018 rather than 2020.

12.4. Data refer to the OECD-EU countries plus Iceland, Norway the United Kingdom and Türkiye.

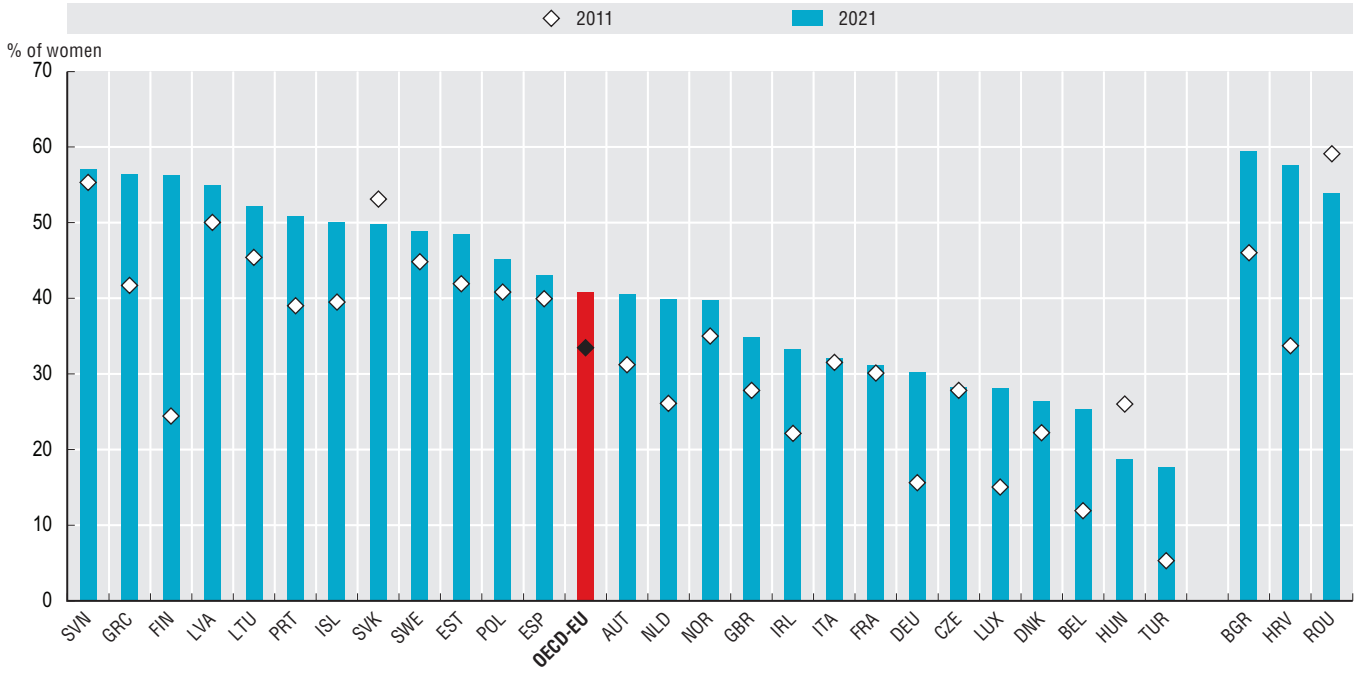
12.3. Gender equality in public sector employment and in total employment, 2011 and 2020



Source: International Labour Organization (ILO) *ILOSTAT* (database), *Employment by sex and institutional sector*. Data for Italy, Iceland and Portugal were provided by national authorities.

StatLink https://stat.link/xb0mk9

12.4. Gender equality in senior management positions in national administrations, 2011 and 2021



Source: European Institute for Gender Equality (EIGE) Gender Statistics (database); *Women and men in decision-making (WMID) authorities.*

StatLink https://stat.link/98kdun

Gender equality in politics

Ensuring the participation and representation of all groups of society in public decision making allows for different perspectives to be included, helping ensure that public policies and services reflect the distinct needs and realities of women and men of diverse backgrounds (OECD, 2020). Achieving gender equality in politics is not just about counting the numbers of women in parliament and ministerial positions, but also making sure that women, in diverse situations and conditions, have the opportunity to influence policies in a positive way (OECD, forthcoming). However, although gender-balanced representation is not just a matter of numbers, collecting and publishing gender-disaggregated data is a crucial step towards recognising gender imbalances and disparities, and creating policies that actively foster inclusivity.

Over the past decade, the share of women parliamentarians, increased by 7.5 percentage points on average across OECD countries (Figure 12.5). As of 2023, the share of women sitting in lower or single house parliaments across the OECD area stood at an average of 33.8%, indicating that gender-balanced representation in parliaments is far from being reached. Only two OECD countries, Mexico and New Zealand, had gender parity in their parliaments as of 2023. Over the past decade, Chile has seen the greatest increase (21.3 p.p.) in the share of female parliamentarians, followed by New Zealand (17.8 p.p.), Colombia (16.8 p.p.), and Australia (13.7 p.p.).

In order to improve women's representation in parliaments, OECD countries report taking measures such as introducing mandatory quotas and voluntary targets, mentorships, networking and capacity-building actions for women, and measures to make parliaments more female-friendly workplace (OECD, 2022). Most OECD countries have introduced electoral quotas, which remains a widely used measure for promoting gender equality in parliaments (Figure 12.5). However, it is important to combine electoral quotas with other mechanisms to support gender equality more broadly in case of countries where electoral quotas are introduced.

A gender-balanced cabinet is a strong indicator of a government's commitment to gender equality and ensuring a gender lens is applied in crucial government decisions. As of 2023, on average, women occupied 35.7% of cabinet positions across OECD countries, albeit with considerable variations across countries (Figure 12.6). In 2023, 8 out of 38 OECD countries have 50% or more women in their political executive: Belgium, Chile, Colombia, Finland, Germany, the Netherlands, Norway and Spain. In contrast, less than 10% of cabinet ministers in the Czech Republic, Hungary, Japan, and Türkiye are women. Women continue to primarily hold portfolios related to social and cultural policy – most commonly those on women and gender equality, family and children's affairs, social inclusion and development, social protection and social security, and indigenous and minority affairs – rather than to those related to energy, defence and home affairs, which are dominated by men (IPU/UN WOMEN, 2023). Achieving gender equality in cabinets, therefore, also pertains to the allocation of portfolios.

Methodology and definitions

Data for women parliamentarians refer to the lower/single house of parliament and were obtained from the Inter-Parliamentary Union's Parline database. Data refer to the share of women parliamentarians recorded as of 1 January 2023 and 31 October 2012. There are three key types of gender quotas: legislated candidate quotas (which regulate the gender composition of the candidate lists and are legally binding on all political parties in the election); legislated "reserved seats" (which regulate by law the gender composition of elected bodies by reserving a certain number of seats for women members, implemented through special electoral procedures); and party quotas (also called voluntary party quotas, that are adopted by individual parties for their own candidate lists, and are usually enshrined in party statutes and rules). Data on quotas were obtained from the Inter-Parliamentary Union's PARLINE database.

Data on women cabinet ministers in national government were obtained from the Inter-Parliamentary Union's Women in Politics database. Data show women as a share of cabinet members who head ministries as of 1 January 2023 (excluding ministers without portfolios). Heads of government were also included where they held ministerial portfolios.

Further reading

IPU/UN Women (2023), *Women in Politics: 2023*, *https://www.unwomen.org/en/digital-library/publications/2023/03/women-in-politics-map-2023* (accessed on March 2023).

OECD (2022), *Report on the Implementation of the OECD Gender Recommendations*, OECD, Paris, *C/MIN(2022)7*.

OECD (2020), *Governance for Youth, Trust and Intergenerational Justice: Fit for All Generations?*, OECD Public Governance Reviews, OECD Publishing, Paris, *https://doi.org/10.1787/c3e5cb8a-en*.

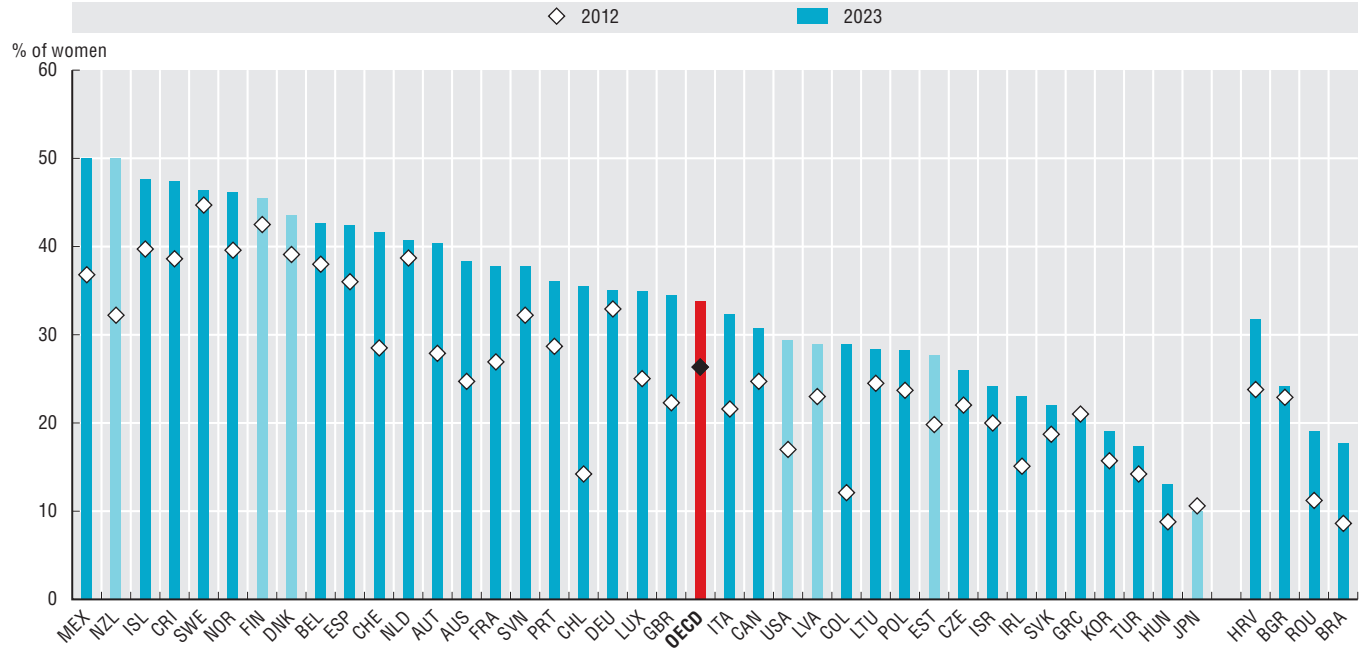
OECD (forthcoming), *Toolkit on Mainstreaming and Implementing Gender Equality 2023*.

Figure notes

12.5. Light blue bars represent countries without electoral quotas in their lower or single house parliaments as of March 2023.

12.5. Gender equality in parliament and electoral gender quotas, 2012 and 2023

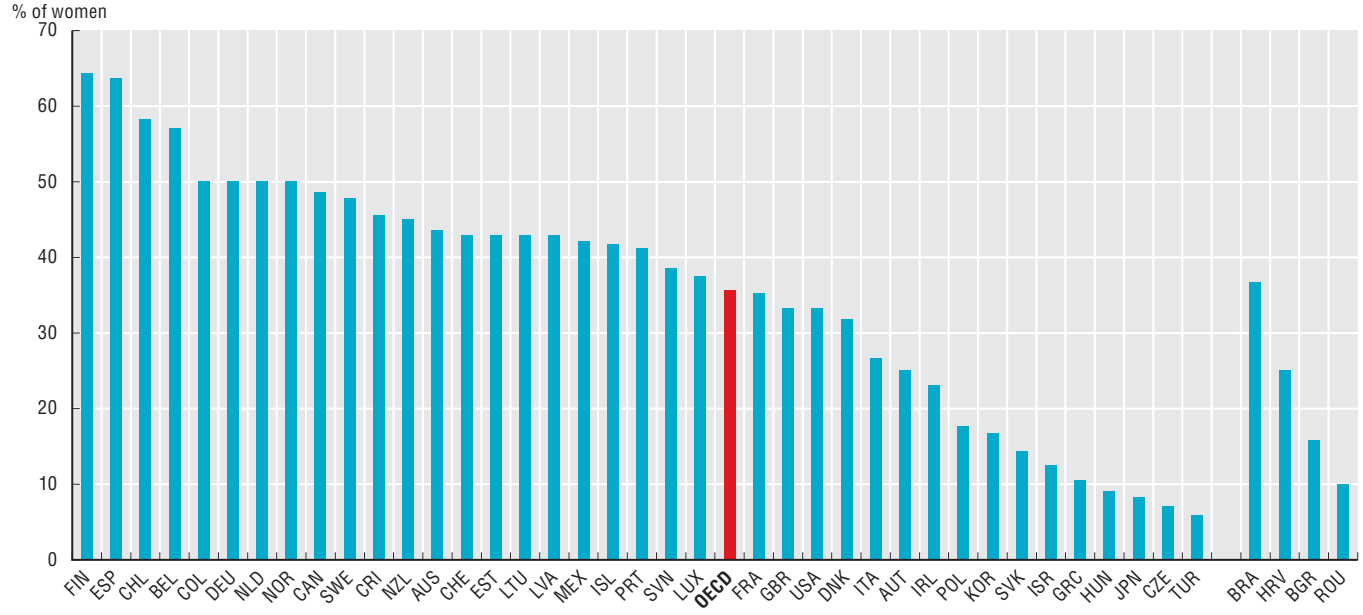
Lower or single house of the legislature



Source: Inter-Parliamentary Union (IPU), PARLINE (database).

StatLink https://stat.link/6qkbhi

12.6. Gender equality in cabinet ministerial positions, 2023



Source: Inter-Parliamentary Union (IPU), *Women in Politics* (2023).

StatLink https://stat.link/m0adnx

Gender equality in the judiciary

Ensuring diversity and gender equality in judicial positions, including at senior levels, can reduce the barriers women faced in accessing justice, and increase their willingness to approach the legal system. Improving the representativeness and diversity of the judiciary can also support its quality, independence, impartiality and integrity (OECD, 2022). Overall, ensuring a gender-balanced judicial leadership remains a key governance issue in OECD countries as it relates to fairness, transparency, and the effectiveness of the rule of law (OECD, 2019).

Women's share of the overall judiciary averaged 57.2% in OECD countries in 2020, showing a slight increase of 3.9 percentage points compared to 2014 (Figure 12.7). Women occupied at least 30% of judicial positions in all OECD countries, albeit with wide variations – ranging from 81% in Latvia to 31% in the United Kingdom. In 8 out of 23 OECD countries with available data, the share has risen by 5 p.p. or more since 2014, with the largest increase seen in Türkiye (13 p.p.). The share of women judges remained the same in Austria, Hungary, and the Slovak Republic, and fell marginally in the Czech Republic (1 p.p.). However, gender balance among judges should also be considered in the context of inherent features of national legal systems and women's professional development patterns. For example, there are differences between different legal systems: in civil law systems, women can be recruited directly from law schools before they face possible career disruptions, while in common law systems, women face a statutory requirement of at least five or seven years post-qualification experience before they are legally qualified for posts in the judiciary.

In recent years, OECD countries have made progress in women's representation at the supreme court level, with a significant increase of 7 p.p. between 2014 and 2020 (Figure 12.9). However, the share of women in high-level courts continue to be small, with significant differences at the supreme court level. While women make-up an average of 61.8% of judicial positions in first instance courts, and 54.3% in second instance ones, as of 2020, they occupied only 40% of the positions in supreme courts (Figure 12.8). Although there is a great deal of variation in judicial recruitment systems among OECD countries, the smaller share of judicial positions occupied by women in high-level courts can be partly explained by challenges such as gender stereotypes expressed in behaviors and attitudes embodied by judicial staff and authorities, limited professional development opportunities for women in the legal profession, work-life balance challenges, and mobility and relocation barriers (OECD, 2019).

Methodology and definitions

Data on gender equality of professional judges refers to the overall share of women occupying judgeship positions in 2014 and 2020 in courts of all instances. The data were retrieved from the CEPEJ-STAT, a dynamic database of European judicial systems of the Council of Europe European Commission for the Efficiency of Justice (CEPEJ).

Data on the gender equality of professional judges by court refers to the share of women occupying judgeships in three levels of courts as of 2020: first instance, second instance and supreme courts. The data were retrieved from the CEPEJ-STAT.

Courts of first instance are where legal proceeding begin, courts of second instance review decisions issued by lower courts and supreme courts are the highest courts within the hierarchy of many legal jurisdictions and primarily function as appeal courts, reviewing decision of lower and intermediate/level courts.

Professional judges are those recruited, trained and remunerated to perform the function of a judge as a main occupation. This category includes professional judges from first instance, second instance and supreme courts.

Further reading

OECD (2022), *Report on the Implementation of the OECD Gender Recommendations*, OECD, Paris, *C/MIN(2022)7*.

OECD (2019), *Fast Forward to Gender Equality: Mainstreaming, Implementation and Leadership*, OECD Publishing, Paris, *https://doi.org/10.1787/g2g9faa5-en*.

OECD (2016), *2015 OECD Recommendation of the Council on Gender Equality in Public Life*, OECD Publishing, Paris, *https://doi.org/10.1787/9789264252820-en*.

OECD (forthcoming), *OECD Toolkit for Mainstreaming and Implementing Gender Equality 2023*.

Figure notes

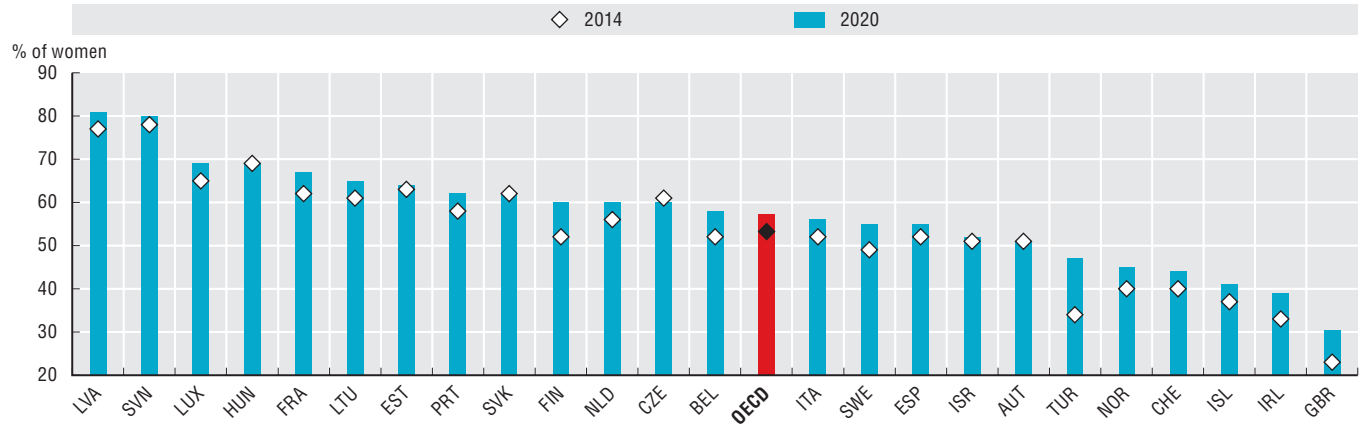
Data shown and OECD average refer to OECD member countries that are also members of the Council of Europe (OECD COE countries). Data for Denmark, Germany, Greece and Poland are not available. Data for the United Kingdom are calculated as a simple average of the share of female judges in Northern Ireland and Scotland only.

12.7. Data for Iceland refer to 2012 instead of 2014.

12.8. Data for Iceland, the Netherlands and the United Kingdom are not included in the OECD average.

12.9. Data for Iceland, the Netherlands and the United Kingdom are not available.

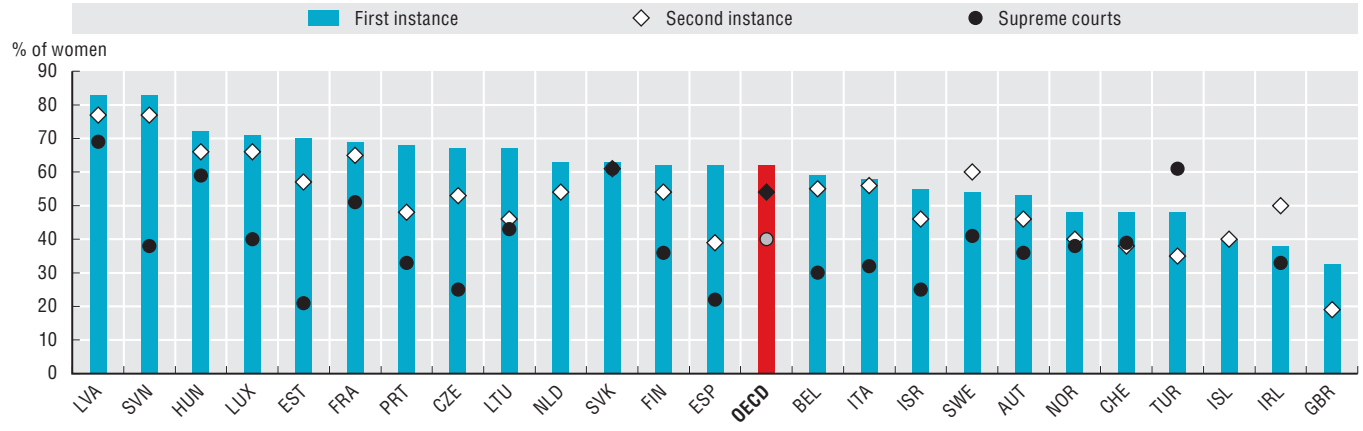
12.7. Gender equality of professional judges, 2014 and 2020



Source: Council of Europe, European Commission for the Efficiency of Justice (CEPEJ), *CEPEJ-STAT* (database).

StatLink https://stat.link/3ujl0m

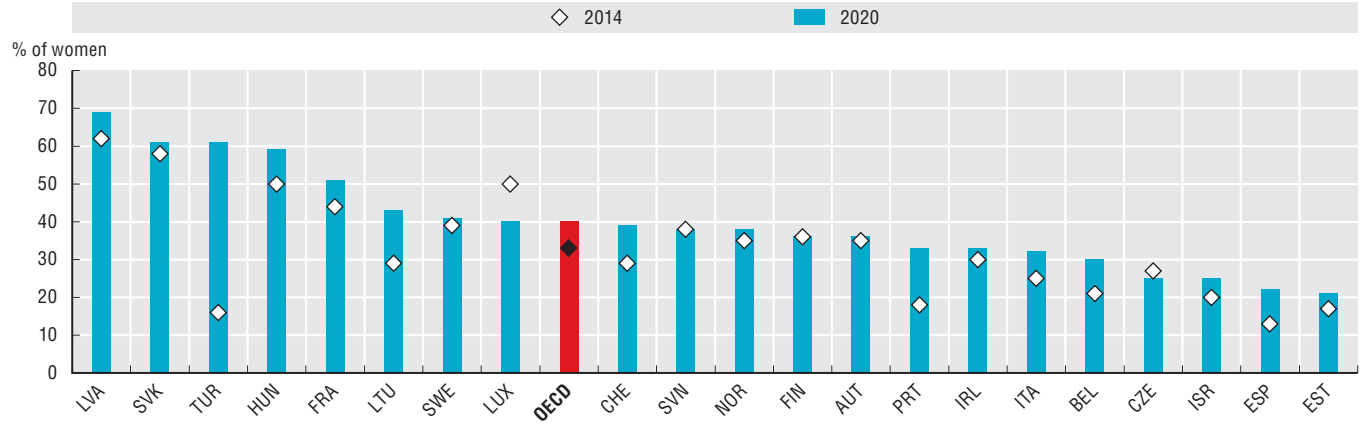
12.8. Gender equality of professional judges by level of court, 2020



Source: Council of Europe European Commission for the Efficiency of Justice (CEPEJ), CEPEJ-STAT (database).

StatLink https://stat.link/zr830n

12.9. Gender equality of professional judges in supreme courts, 2014 and 2020



Source: Council of Europe European Commission for the Efficiency of Justice (CEPEJ), CEPEJ-STAT (database).

StatLink https://stat.link/n4q6f1

Youth representation in politics

The representation of young people in politics is key to strengthen their democratic engagement and encourage whole-of-society buy-in to tackle common challenges. To deliver youth-responsive policies, governments need to reinforce their technical and administrative capacities as well as ensure that young people are represented in politics to better inform decisions and deliver fairer outcomes (OECD, 2022). Large gaps in youth representation in politics continue to exist and addressing them is essential, as they may have a lifelong impact on trust in government and engagement in democracy (OECD, 2020).

While 20–39-year-olds represent 34% of the voting age population on average across OECD countries, only 23% of members of parliament (MPs) on average were under 40 in 2022 (representation gap of 11 percentage points). Variations appear across countries, with 39% of parliamentarians in Mexico being under 40 compared to 4% in Portugal. The largest representation gaps are seen in Israel, Türkiye and the United States (all -29 p.p.). In contrast, the proportion of young people in parliament closely approaches actual population proportions in Germany and Latvia (-1 p.p.), Denmark and Finland (-2 p.p.) (Figure 12.10).

Representation gaps also remain high in countries' executive branches. In 2022, across OECD countries, only 56 out of 756 of cabinet members were under 40 (7%) and only 16 were aged 35 or under (2%). The average age of cabinet members across OECD countries has remained stable from 2018 at 53 years old, ranging from 65 in Japan to 45 in Denmark for 2022. The five youngest cabinets were in Denmark (average age of 45), Estonia (47), Lithuania (48), Sweden (48), Norway (49), and Finland (49). The countries experiencing the largest average age decreases compared to 2018 were Chile (with an average age decrease of 8 years), Germany (-7), Slovenia (-5), France (-5) and Greece (-5). On the other hand, the countries that experienced the most significant average age increase were Mexico (+6), Iceland (+6), Australia (+6), Canada (+5) and Italy (+5) (Figure 12.11).

Such representation gaps may have an impact on how likely young people are to engage in politics. On average across OECD countries, young people (ages 18-29) are less likely to engage in institutionalised forms of political activity than other age groups. The most marked gaps were noted between young people and those aged 50 and above. For instance, young people were less likely to vote in national elections (by 27 p.p. compared to those 50+) and regional elections (18 p.p.), as well as contact an elected policy maker or government official (7 p.p.). On the other hand, young people were more likely to engage in non-institutionalised forms of political activity, including signing an online or paper petition (7 p.p. compared to those 50+), taking part in public demonstrations (5 p.p.) and posting political content on social media (4 p.p.) (Figure 12.12).

Methodology and definitions

Data on indicators related to political engagement was sourced from the 2021 OECD Trust Survey, which classifies 'young people' as 18-29. The OECD explores perceptions of public governance using nationally representative survey data from the OECD Trust Survey conducted across 22 countries. Most countries were surveyed in November-December 2021, with a few surveys taking place in 2020 and January-March 2022.

Data on the share of young parliamentarians refers to the share of parliamentary representatives aged 40 and under obtained from the Inter-Parliamentary Union's Parline database. Data on people aged 20-39 as a share of the voting age population (people aged 20 and over) was obtained from the OECD Demography and Population database.

Data on the average age of cabinet members was collected through desk research of OECD countries' cabinet membership from official government websites and members' biographies. The data reflects cabinet membership as of 20 December 2022.

Further reading

OECD (2022), *Delivering for youth: How governments can put young people at the centre of the recovery*, OECD Publishing, Paris, *https://doi.org/10.1787/5b0fd8cd-en*.

OECD (2022), "Recommendation of the Council on Creating Better Opportunities for Young People", *OECD Legal Instruments*, OECD, Paris, *https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0474*.

OECD (2021), "Youth representation in politics", in *Government at a Glance 2021*, OECD Publishing, Paris, *https://doi.org/10.1787/c3488416-en*.

OECD (2020), *Governance for Youth, Trust and Intergenerational Justice: Fit for All Generations?*, OECD Public Governance Reviews, OECD Publishing, Paris, *https://dx.doi.org/10.1787/c3e5cb8a-en*.

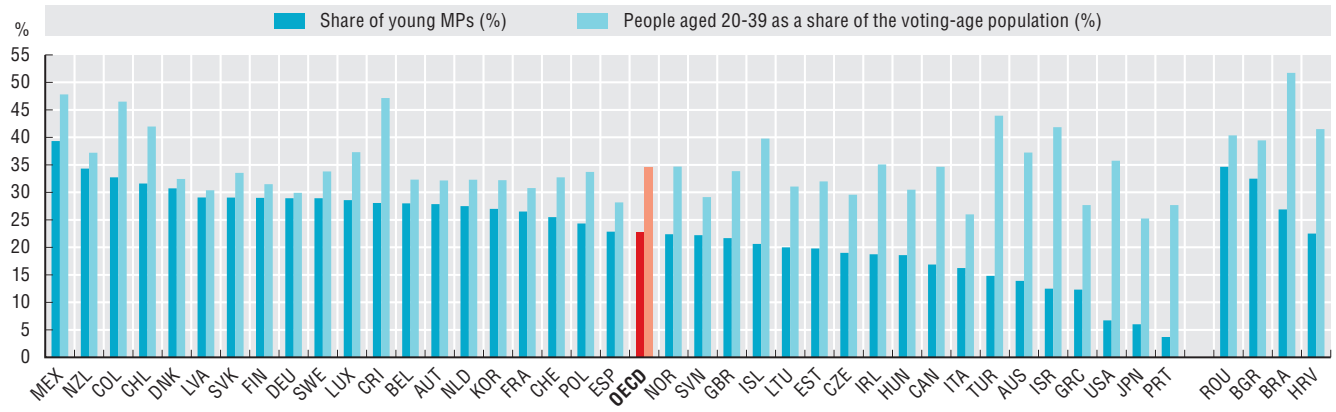
Figure notes

12.10. Share of young people as a share of the voting-age population from 2021. National Parliament average age is from 2022, with the exception of Australia and Colombia, which dates from 2021.

12.11. Data for members of cabinet in Canada (1 member), Bulgaria (1), Greece (1), Mexico (1) could not be found. Representatives were selected based on the members of cabinet listed on official government websites. 2022 data for Brazil was not available. 2018 data for Brazil, Bulgaria, Colombia, Costa Rica, Croatia, Lithuania and Romania was not available.

12.12. Reflects responses to the survey question 'Over the last 12 months, have you done any of the following activities? Please tick all that apply'. Options 'Worn or displayed a campaign badge' and 'Attended a trade union or party meeting' are not shown due to low response rates.

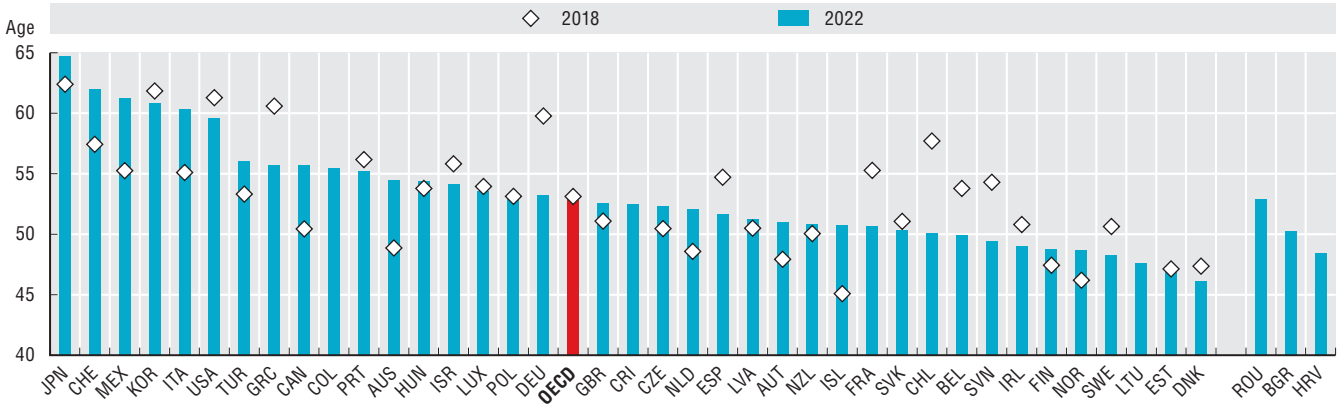
12.10. Share of members of parliament aged 40 and under, and people aged 20-39 as a share of voting-age population, 2022



Source: OECD calculations based on OECD Demography and Population database (2021); and Inter-Parliamentary Union (IPU) Parline database on national parliaments (2022).

StatLink https://stat.link/cusqnp

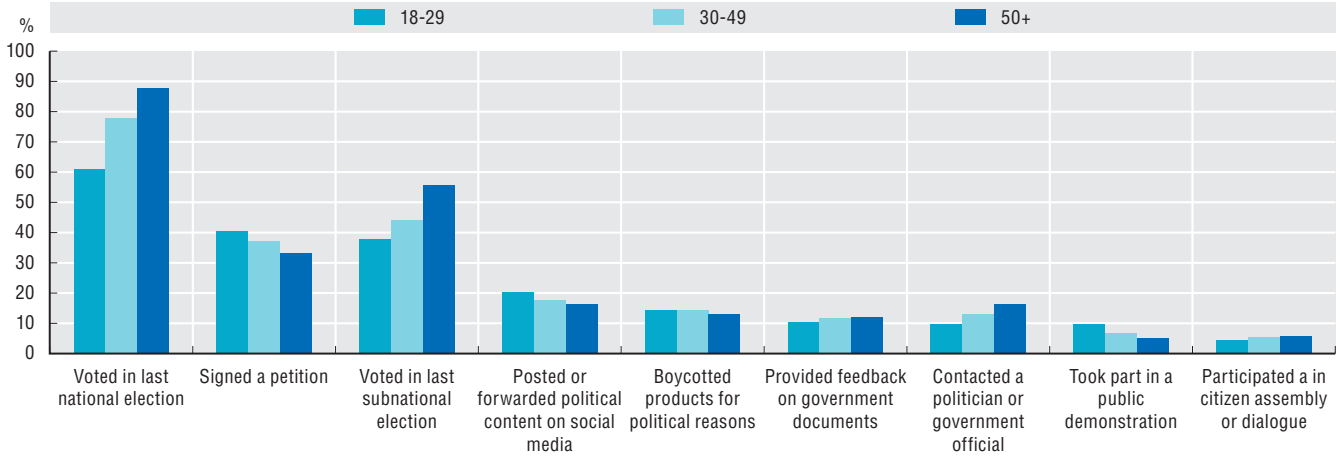
12.11. Average age of cabinet members by country, 2018 and 2022



Source: OECD calculations based on publicly available data on official government websites as of 20 December 2022.

StatLink https://stat.link/0blwcn

12.12. Participation in political activities by age group, OECD average, 2021



Source: OECD Trust Survey (*http://oe.cd/trust*).

StatLink https://stat.link/mfa1bp

13. MANAGING HUMAN RESOURCES

Mobility

Learning and development

Flexible ways of working

Measuring employee engagement

Mobility

Mobility allows the public service to move the right people with the right skills into the right roles to meet the demands of the moment, and to be better prepared for the demands of the future. The COVID-19 pandemic highlighted the need for such flexibility in times of crises. Mobility can facilitate multi-disciplinary approaches to addressing complex issues and permit the pooling of scarce resources and skills from across government. Mobility can also help attract and retain public servants, as the traditional model of a linear career path within a single organisation, field or profession is either as common as it was, nor desired, among many current and potential public servants. Mobility also allows administrations to develop skillsets in-house, by allowing public servants to have more varied and flexible career paths, and can contribute to the development of diverse teams that can help spur public sector innovation.

Internal lateral mobility (moving people from one job to another at the same hierarchical level) is possible for most public servants in all OECD countries. It is however mandatory or expected in only 3 out of 35 OECD countries (9%; Austria, Costa Rica and Japan), and recommended or encouraged in about one-third (11 out of 35, 31%). The numbers are slightly higher for senior level public servants, for whom mobility is recommended or encouraged in 14 out of 35 OECD countries (40%) (Figure 13.1). In the Netherlands for example, the top management is expected to change positions every 5-7 years.

Internal lateral mobility can take different forms, requiring different tools to be put in place. The most common are short-term assignments, used by 34 out of 35 OECD countries (97%), and longer-term secondments, used by 32 out of 35 OECD countries (91%). Short-term assignments to other entities within the public service are possible in 31 out of 35 OECD countries (89%) and within the same entity in 28 out of 35 OECD countries (80%). Longer-term assignments are possible to other entities within the public service in 25 out of 35 OECD countries (71%) and internationally in 23 out of 35 OECD countries (66%, Table 13.2). International mobility is an important mechanism for developing skills to address multi-lateral challenges and foster international collaboration. The United Kingdom uses micro-assignments, short-term assignments and longer-term assignments within the public service, to sub-national levels of government and internationally.

While the data show that most OECD countries offer public servants the possibility of temporary mobility, they do not show the actual take up, nor whether mobility is used to achieve strategic objectives such as employee development or to address skills shortages. While the movement of people will always entail some short-term cost, if it is well managed, with adequate oversight and managerial processes to mitigate risks, it is an effective way to achieve strategic people management (OECD, 2023).

Methodology and definitions

Data were collected through the mobility module of the 2022 Public Service Leadership and Capability survey. Respondents were senior officials in central government human resource management (HRM) departments, and data refer to HRM practices in central government. The survey was completed by all OECD countries with the exception of the United States, as well as the OECD accession countries of Brazil, Bulgaria, Croatia and Romania.

There are considerable variations in the definitions of the civil service as well as the organisations of the central level of government. Public servants are defined as all government employees who work in the public service, who may be employed through various contractual mechanisms (e.g. civil servant statutes, collective agreements or labour law contracts), on indeterminate or fixed-term employment contracts, but not normally including employees in the wider public sector who are usually regulated under alternative employment frameworks (e.g. most doctors, teachers, police, the military, the judiciary, or elected officials).

Further reading

OECD (2023), *Public Employment and Management 2023: Towards a More Flexible Public Service*, OECD Publishing, Paris, *https://doi.org/10.1787/5b378e11-en*.

OECD (2021), *Public Employment and Management 2021: The Future of the Public Service*, OECD Publishing, Paris, *https://doi.org/10.1787/938f0d65-en*.

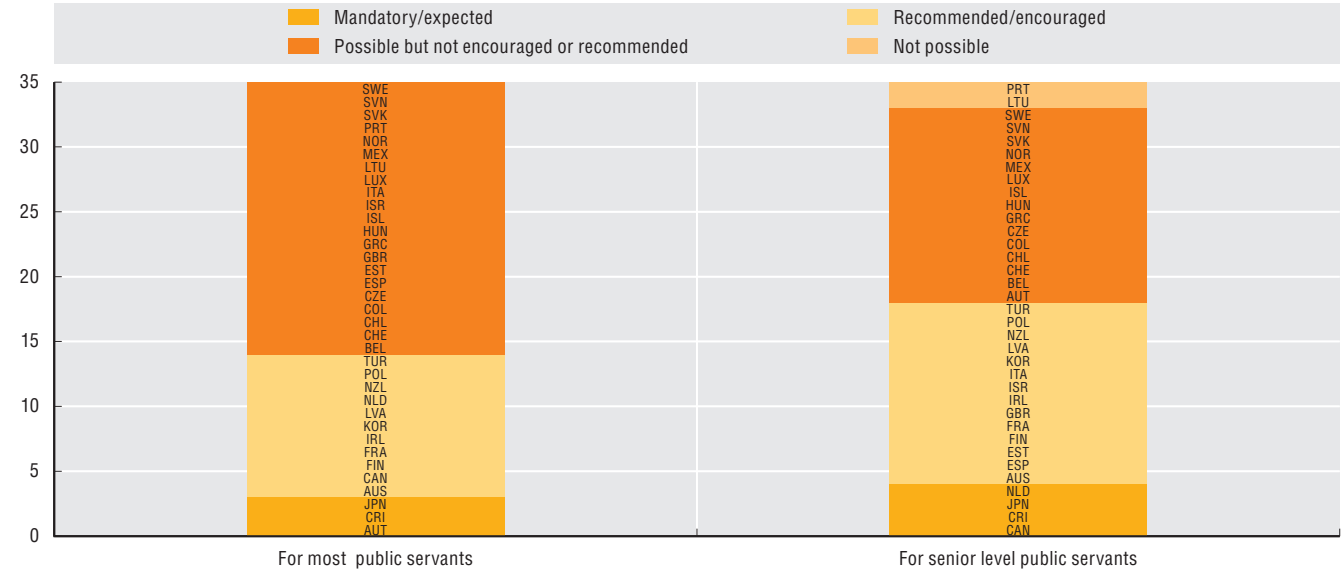
OECD (2019), "Recommendation of the Council on Public Service Leadership and Capability", *OECD Legal Instruments*, OECD, Paris, *https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0445*.

Figure notes

13.1. Data for Denmark and Germany are not available. Data are based on answers to the question "Is internal lateral mobility in the public service mandatory/expected; recommended/encouraged; possible but not recommended/encouraged; not possible?".

13.2. Data for Germany and Lithuania are not available.

13.1. Internal lateral mobility in central government, 2022



Source: OECD (2022), Public Service Leadership and Capability Survey.

StatLink https://stat.link/lzwd4i

13.2. Use of forms of mobility in central administrations, 2022

Country	Micro-assignment (working for another team/unit part-time)	Short term assignment (less than a year, full time)	Longer term secondments (with right to return)	Exchange programmes	Rotation programmes
Australia	■◆	■◆❖⊙	■◆❖⊙		■
Austria	■	■◆❖⊙	⊙	❖⊙	■◆❖⊙
Belgium	■◆	■◆	◆❖⊙	■◆❖	
Canada	■◆	■◆❖	■◆❖⊙		■◆
Chile	■	◆	◆		
Colombia			◆		
Costa Rica	■◆❖	■◆	■◆❖		
Czech Republic		■◆⊙	⊙		
Denmark	■	■	■	■	■
Estonia	■◆	■◆	■◆⊙		
France	■	⊙	◆❖⊙	⊙	
Finland	■◆	■◆	■	⊙	⊙
Greece	■	◆❖	◆❖⊙		
Hungary		■◆			
Iceland	■◆	■◆⊙	■◆⊙	■◆⊙	
Ireland	■	■◆⊙	■◆❖⊙		
Israel	■	■◆			
Italy	■	◆❖⊙	◆❖⊙		
Japan		■◆	■◆❖⊙	◆❖	
Korea	■◆	◆❖⊙	◆❖⊙	■◆❖	
Latvia	■◆	■◆⊙	■◆⊙		
Luxembourg	■◆⊙	■◆⊙	◆❖⊙		
Mexico	■	■	■	■◆❖	■
Netherlands	■◆	■◆❖⊙	⊙		
New Zealand	■◆❖	■◆❖	■◆❖		■◆
Norway	■◆	■◆⊙	⊙		■
Poland	■	■◆	■◆❖⊙	⊙	
Portugal	■	■◆❖	■◆❖	⊙	
Slovak Republic	■◆	■◆	■◆⊙		
Slovenia	■◆	■◆⊙	■◆⊙		
Spain		◆⊙	◆⊙	⊙	
Sweden	■◆	■◆	■◆	⊙	
Switzerland	■◆	■◆		◆	
Türkiye	■◆	■◆⊙	■◆⊙		■
United Kingdom	■◆❖⊙	■◆❖⊙	■◆❖⊙		◆⊙
OECD Total					
■ Within one entity	30	28	19	5	8
◆ To other entities within the public service	19	31	25	6	4
❖ To subnational levels of government	3	10	15	5	1
⊙ Internationally (e.g. EU, other countries or international organisations)	2	16	23	8	3
Total number of countries using modality in any form	30	34	32	14	10
Brazil	■◆		■◆❖⊙		
Bulgaria		■◆❖⊙	■◆❖⊙		
Croatia	■◆❖	■◆❖	◆❖⊙	⊙	
Romania		■	■	■	

Source: OECD (2022), Public Service Leadership and Capability Survey.

StatLink https://stat.link/7asptn

Learning and development

Learning and development are essential components of a modern public service that is prepared for the future. Emergent policy challenges, unpredictable crises, and evolving technology combine to create a constant demand for new skills and competencies among public servants. To keep up, governments must find ways to source the capabilities they need, and this often means by developing existing staff. Well-designed and wide-reaching learning systems are therefore vital for governments, to continually develop staff throughout their careers and identify and address the need for skills over time.

A learning strategy is an administration's overarching plan for the continuing development of skills and competencies within its workforce. OECD countries with learning and development strategies organise and implement them in a variety of ways. These strategies can be implemented through different institutional arrangements: they can be centrally organised, distributed throughout ministries, left up to individual managers, outsourced, run through schools of government or other means, or through a combination of options. The majority of OECD countries, 25 out of 37 (68%), have a learning and development strategy or plan at the central level (Figure 13.3). Many of these also report having additional strategies within ministries or agencies; 24 out of 37 countries (65%) have ministry-level plans, whether or not there is also one at the central level.

Well-designed incentive structures are important. They give employees reasons to take up learning opportunities and make use of the learning and development systems. These incentives are not necessarily financial; the use of performance evaluation, career progression and feedback cycles can be more effective and contribute more to an overall culture of learning. The most common practices to encourage learning are giving employees choices in the content of their learning (35 out of 36 OECD countries, 97%) and giving employees time to purposefully engage in learning opportunities (25 out of 36, 69%) (Figure 13.4). But more and more, OECD countries are encouraging learning by building it into other human resources processes in the career path: 15 of 36 countries (42%) consider learning in promotion decisions and 25 of 36 (69%) in performance evaluations, while 12 out of 36 (33%) incorporate it into feedback outside of formal evaluations. Only 4 of 36 countries (11%) mandate minimum amounts of training.

As governments continue to face unprecedented global and societal problems, having a depth and breadth of skills to call upon in the public service becomes more pressing. Learning and development is taking a leading role in modern governance. Korea, for instance, created a modern e-learning platform that allows employees to become micro-content creators and encourages greater learning through interaction. In the United Kingdom, the administration is working to bring the training offered across ministries under one umbrella to make it more widely available to its workforce of nearly half a million. Leadership development is a specific emerging focus. For example, Israel is developing a "simulator" to train its top managers to manage crises and change, while Canada has developed a leadership development programme and an in-depth competency framework across top levels.

Methodology and definitions

Data were collected through the learning and development module of the 2022 Public Service Leadership and Capability survey. Respondents were senior officials in central government human resource management (HRM) departments, and data refer to HRM practices in central government. The survey was completed by all OECD countries with the exception of the United States, as well as the OECD accession countries of Brazil, Bulgaria, Croatia and Romania. There are considerable variations in the definitions of the civil service as well as the organisations of the central level of government. Public servants are defined as all government employees who work in the public service, who may be employed through various contractual mechanisms (e.g. civil servant statutes, collective agreements or labour law contracts), on indeterminate or fixed-term employment contracts, but not normally including employees in the wider public sector, who are usually regulated under alternative employment frameworks (e.g., most doctors, teachers, police, the military, the judiciary, or elected officials). Schools of government in this case refers mostly to centralised schools within administrations, although it could in some cases also refer to external or partner institutions.

Further reading

OECD (2023), *Public Employment and Management 2023: Towards a More Flexible Public Service*, OECD Publishing, Paris, *https://doi.org/10.1787/5b378e11-en*.

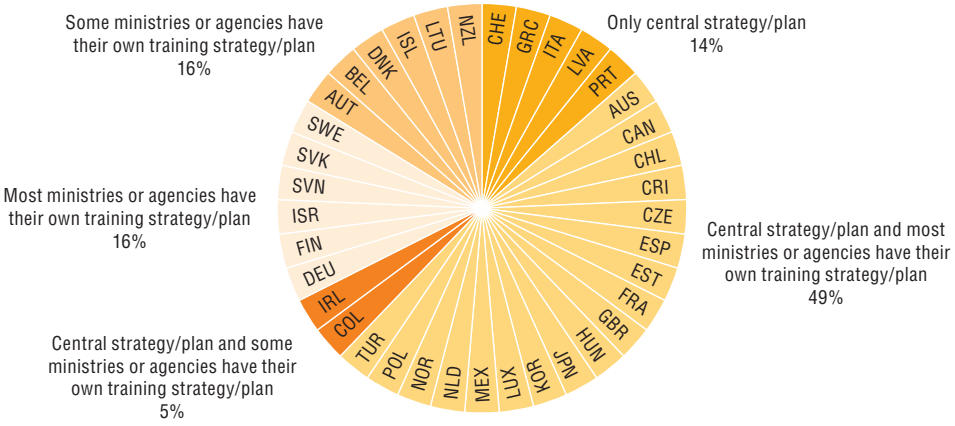
OECD (2021), *Public Employment and Management 2021: The Future of the Public Service*, OECD Publishing, Paris, *https://doi.org/10.1787/938f0d65-en*.

OECD (2019), "Recommendation of the Council on Public Service Leadership and Capability", *OECD Legal Instruments*, OECD, Paris, *https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0445*.

Figure notes

13.4. Data for Lithuania are not available.

13.3. Learning and development strategies for the central government workforce, 2022



Source: OECD (2022), Public Service Leadership and Capability Survey.

StatLink https://stat.link/t4cg69

13.4. Incentives for employee learning and development in central governments, 2022

Country	Employees can choose some training programmes of interest rather than have only specific mandatory courses	Employees can have additional time off for engaging in development	Considered in performance evaluations	Individual learning plans are developed for all/most employees	Considered in promotion decisions	Learning is incorporated into the feedback cycle outside of formal evaluations	Point schemes for attending training	Minimum amount of time spent in formal training or development
Australia	●	●	●	●	○	●	○	○
Austria	●	○	○	○	○	○	○	○
Belgium	●	●	●	○	○	○	○	○
Canada	●	○	●	●	○	○	○	○
Chile	●	●	●	○	●	○	○	○
Colombia	●	●	●	●	●	●	○	○
Costa Rica	●	○	●	●	●	○	●	○
Czech Republic	●	○	●	●	○	○	○	○
Denmark	●	●	●	●	○	●	○	○
Estonia	●	●	●	●	○	○	○	○
Finland	●	○	●	●	○	●	○	○
France	●	●	○	●	○	●	○	○
Germany	●	●	●	○	●	○	○	○
Greece	●	●	●	○	●	●	●	○
Hungary	●	●	●	●	●	○	●	○
Iceland	●	●	●	○	●	○	○	○
Ireland	●	●	●	○	○	○	○	○
Israel	●	●	●	○	○	○	○	○
Italy	●	●	●	○	●	○	○	○
Japan	●	●	○	○	○	○	○	○
Korea	○	○	●	●	●	●	●	●
Latvia	●	○	●	○	●	○	○	●
Luxembourg	●	●	○	●	○	●	○	○
Mexico	●	○	●	○	●	○	○	●
Netherlands	●	●	●	○	○	○	○	○
New Zealand	●	●	○	●	●	○	○	○
Norway	●	●	○	●	○	○	○	○
Poland	●	○	●	●	○	○	○	○
Portugal	●	●	●	○	●	○	●	○
Slovak Republic	●	●	○	●	●	○	○	○
Slovenia	●	○	○	○	○	○	○	○
Spain	●	●	●	○	●	●	●	○
Sweden	●	○	○	○	○	●	○	○
Switzerland	●	●	●	○	○	○	○	○
Türkiye	●	●	○	●	○	●	○	○
United Kingdom	●	●	○	●	○	●	○	●
OECD Total								
● YES	35	25	25	18	15	12	6	4
○ NO	1	11	11	18	21	24	30	32
Brazil	●	○	●	○	○	○	○	○
Bulgaria	●	●	○	●	○	○	○	○
Croatia	●	○	○	○	○	○	○	○
Romania	●	○	○	○	○	○	○	○

Source: OECD (2022), Public Service and Leadership Capability Survey.

StatLink https://stat.link/hv0pz7

Flexible ways of working

Flexible working arrangements are not new, but public administrations have scaled up their use over the last few years. This happened particularly since the COVID-19 pandemic, when the associated quarantine periods meant they were used much more frequently. Most public servants experienced flexibility in two ways: adapting their working hours, and/or adapting their work location, usually by working from home. Outside of emergency situations, public administrations are consolidating the use of these arrangements as tools to improve productivity, enhance employee engagement and attract and retain an increasingly diverse public sector workforce.

In most OECD countries, flexible working arrangements are available to most or all public servants (Figure 13.5). This is the case for part-time work and flexitime (both available in 23 out of 36 countries, 64%), and remote work part-time (22 out of 36 countries, 61%). In Poland, five of the six possible forms of flexible working are available to all public employees. However, the actual use of such arrangements depends on several factors, such as the type of job and agreements between managers and employees. Most flexible arrangements are only an enforceable right for employees in a small fraction of OECD countries – for instance compressed working weeks are only a right in Korea; remote work part-time in Italy, Korea and Slovenia; and trust-based working hours in Austria and Korea (Figure 13.6). The picture is different for part-time work, a flexible working arrangement that has been in place for decades and plays an important social role in enabling employees to balance personal commitments with working hours. The use of part-time work arrangements is an enforceable employee right in one in four countries (9 out of 36 OECD countries, 25%). The statutory existence of flexible working arrangements does not mean that employees can spontaneously use them. In this context, high levels of autonomy play a key role as facilitators of a flexible work culture that also requires clear communication channels with managers and regular social dialogue in the public service.

Flexible working arrangements are not always defined at the same level; some countries set regulations and policies at the national level, while others set them at ministerial or departmental level. Overall, OECD countries are fairly evenly balanced between regulating flexible working arrangements centrally and taking a more decentralised approach (Figure 13.7). In Finland, Japan, New Zealand and Portugal, all six forms of flexible working arrangements are defined at the national level, i.e. one common policy for the whole public service. This type of policy typically allows for a level of flexibility in its application at the unit level, but provides the whole public service with a common overarching policy. In countries with a high degree of decentralised working arrangements, like Sweden and the Netherlands, most forms of flexible working arrangements are directly determined at the unit level. Embedding flexible working arrangements can have many positive aspects, but also limitations. As such, there is a need for continued in-depth and longer-term analysis of the implications for productivity, well-being, and workplaces for employees, managers, and organisations.

Methodology and definitions

Data were collected through the mobility module of the 2022 Public Service Leadership and Capability survey. Respondents were senior officials in central government human resource management (HRM) departments, and data refer to HRM practices in central government. The survey was completed by all OECD countries except for the United States, as well as the OECD accession countries of Brazil, Bulgaria, Croatia and Romania. There are considerable variations in the definitions of the civil service as well as the organisations of the central level of government. Public servants are defined as all government employees who work in the public service, who may be employed through various contractual mechanisms (e.g. civil servant statutes, collective agreements or labour law contracts), on indeterminate or fixed-term employment contracts, but not normally including employees in the wider public sector who are usually regulated under alternative employment frameworks (e.g. most doctors, teachers, police, the military, the judiciary, or elected officials).

Further reading

OECD (2023), *Public Employment and Management 2023: Towards a More Flexible Public Service*, OECD Publishing, Paris, *https://doi.org/10.1787/5b378e11-en*.

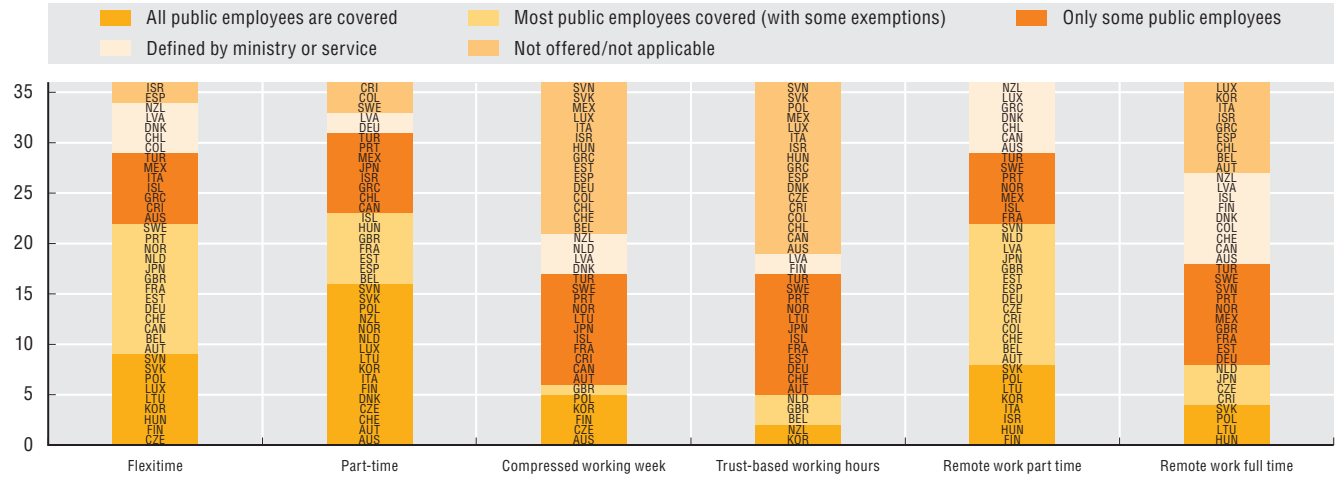
OECD (2021), *Public Employment and Management 2021: The Future of the Public Service*, OECD Publishing, Paris, *https://doi.org/10.1787/938f0d65-en*.

OECD (2019), "Recommendation of the Council on Public Service Leadership and Capability", *OECD Legal Instruments*, OECD, Paris, *https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0445*.

Figure notes

Data for Ireland are not available.

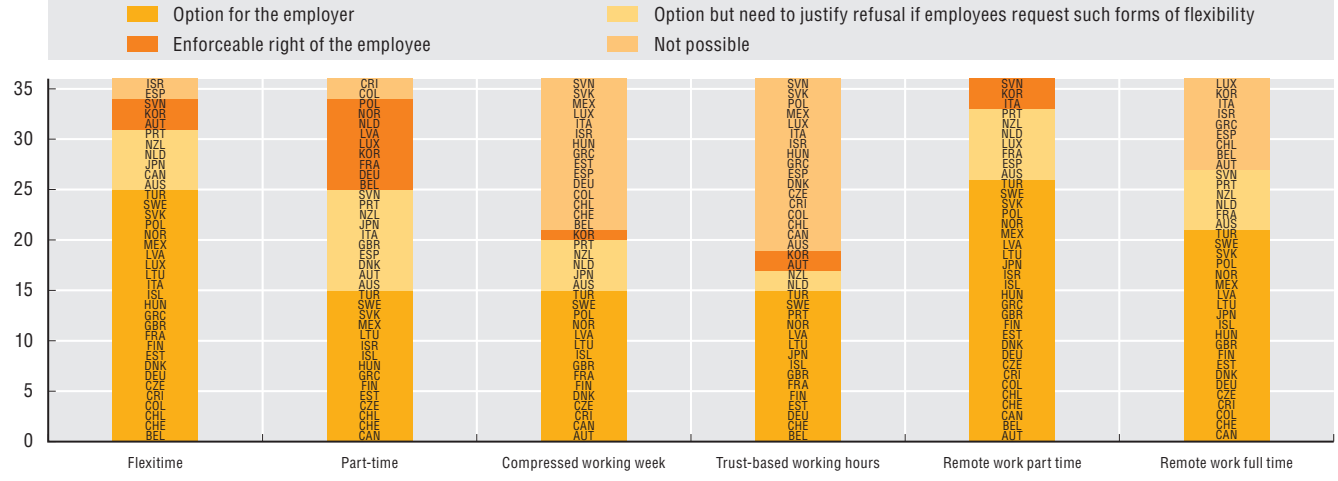
13.5. Flexible working arrangements in central government, 2022



Source: OECD (2022), Public Service Leadership and Capability Survey.

StatLink https://stat.link/pi93r7

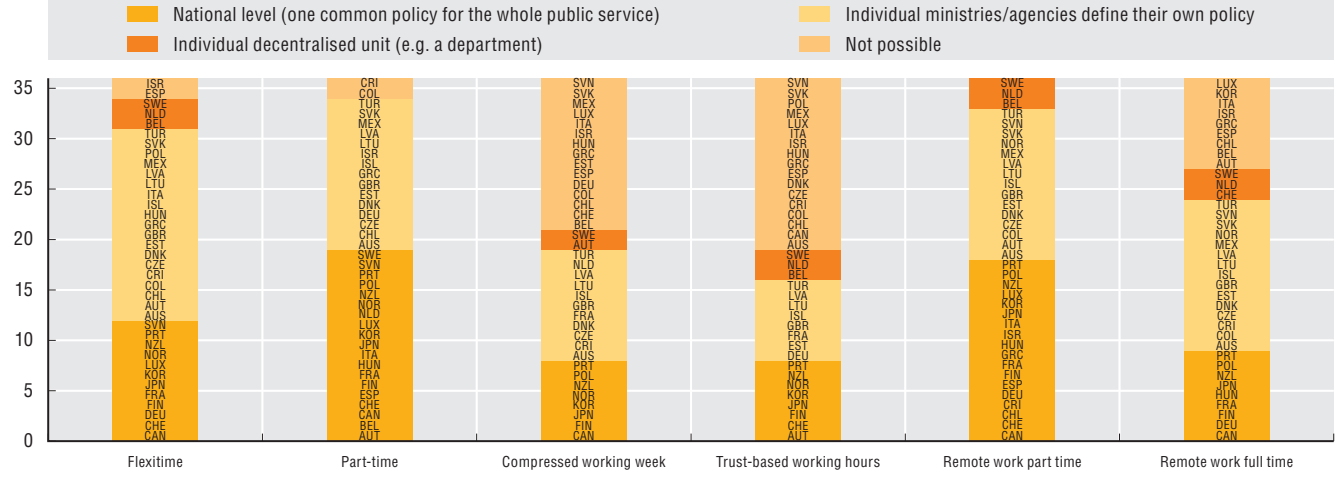
13.6. Statutory status of flexible working arrangements in central government, 2022



Source: OECD (2022), Public Service and Leadership Capability Survey.

StatLink https://stat.link/zdg648

13.7. Level at which flexible working policies are determined, 2022



Source: OECD (2022), Public Service and Leadership Capability Survey.

StatLink https://stat.link/2noavc

Measuring employee engagement

Employees who are engaged with their work and organisation perform better and can be more proactive and innovative than those who are not. Organisations with more engaged employees also see less sick leave and higher retention rates. Common drivers of employee engagement include perceived quality of leadership and management, working conditions and opportunities for career progression (OECD, 2016). Employee engagement can thus be considered a performance measure for public organisations' people management policies and practices.

Work engagement measures the relationship between employees and their specific job. In all seven countries that participated in a survey to civil servants, on average, 70% of respondents were satisfied with their job and considered that their work gives them a sense of accomplishment. Slightly fewer (an average of 63%) are inspired by their job (Figure 13.8). Israel had the highest rates of work engagement among these countries, consistent with the pattern in 2020.

Results show differences in the levels of engagement depending on levels of seniority, with common trends across the sample. For example, senior managers were more satisfied with their jobs than middle managers, with an average reported satisfaction of 4.4 compared to 4.0 out of 5. In turn, both these groups were more satisfied than senior and junior professionals, who both reported an average of 3.9. This trend was also present in relation to whether employees felt the work they did gave them a sense of accomplishment, with an average of 4.4 for senior civil servants, 4.1 for middle managers, and 4.0 and 3.9 for senior and junior professionals respectively (Figure 13.9). Differing levels of engagement by position are important to uncover with employee surveys, since they could point to differences in perceptions around important factors such as working conditions, career development opportunities, etc.

Organisational engagement measures the relationship between an employee and the organisation where they work (Figure 13.10, Panel A). The data here suggest that most public servants (an average of 71%) strongly identify with the mission of their organisations, but feel less attached to the organisation itself (an average of 58%). However, an average of 63% of public servants say they would recommend their organisation as a good place to work. A desire to contribute towards serving society, can often be one of the key elements that attracts people to work in the civil service. Public service motivation has the highest average score of all the questions in all the countries – this figure ranged from 64% in Latvia to 97% in Israel (Figure 13.10, Panel B).

Methodology and definitions

The module on employee engagement was designed by the OECD through the Civil Service Surveys Group. The countries reported here included this module in their existing public employment surveys. The module has three questions on work engagement: 1) Overall, I am satisfied with my job; 2) My job inspires me; and 3) The work I do gives me a sense of accomplishment. It has three questions on organisational engagement: 1) I feel a strong personal attachment to my organisation, 2) I identify with the mission of my organisation; and 3) I would recommend my organisation as a good place to work. It has one question on public service motivation: It is important to me that my work contributes to the common good. Participants responded on a 1-5 scale where 1 = "strongly disagree" and 5 = "strongly agree". Agreeing strongly corresponds to a response of 4 or 5.

The number and type of employee who answered varies by country. For details, please refer to the Statlink. The survey took place in Australia from 9 May to 10 June 2022, in Israel from 8 June to 14 August 2022, in Luxembourg from January 2021 to October 2022, in Latvia from 28 September to 19 October 2022, in Norway from 15 October to 3 November 2021, in the United Kingdom (presented as Great Britain) from 22 September to 31 October 2022, and in the United States from 31 May to 22 July 2022. For the definitions of the occupation levels used in the survey please refer to Annex F.

Further reading

OECD (2019), "Recommendation of the Council on Public Service Leadership and Capability", *OECD Legal Instruments*, OECD, Paris, *https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0445*.

OECD (2016), *Engaging Public Employees for a High-Performing Civil Service*, OECD Public Governance Reviews, OECD Publishing, Paris, *https://doi.org/10.1787/9789264267190-en*.

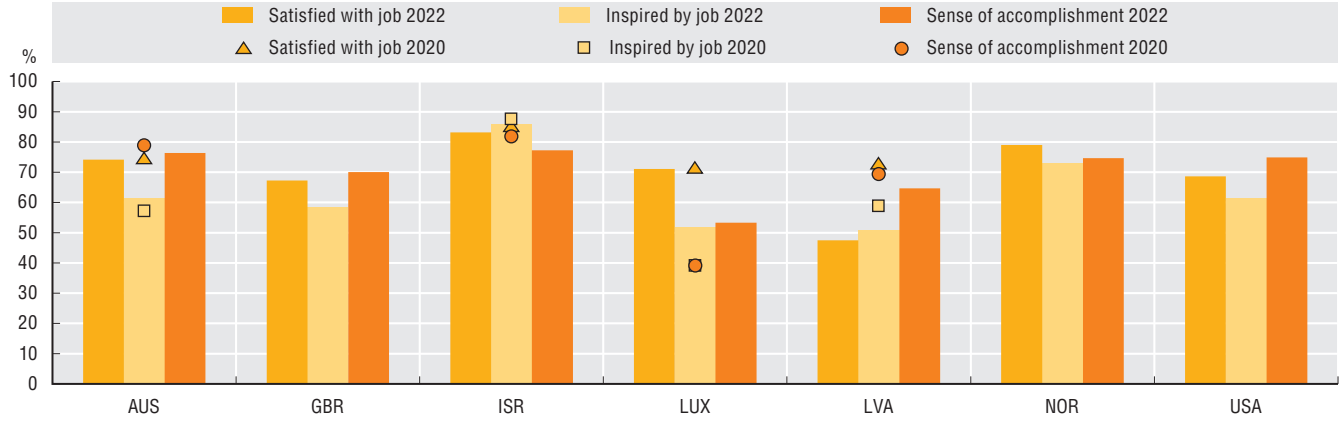
Figure notes

The United Kingdom is presented as Great Britain since data refer only to Great Britain. Data for Australia are not available for "I identify with the mission of my organisation" and "It is important to me that my work contribute to the common good". Data for Latvia, Norway and the United Kingdom are not available for "I would recommend my organisation as a good place to work".

13.9. Data for Australia and the United Kingdom are not available for senior and junior professionals. Data for Norway are not available for junior professionals. Data for Norway refer to 2021.

13.8. Civil servants' engagement with their work, 2020 and 2022

Share of employees agreeing or strongly agreeing

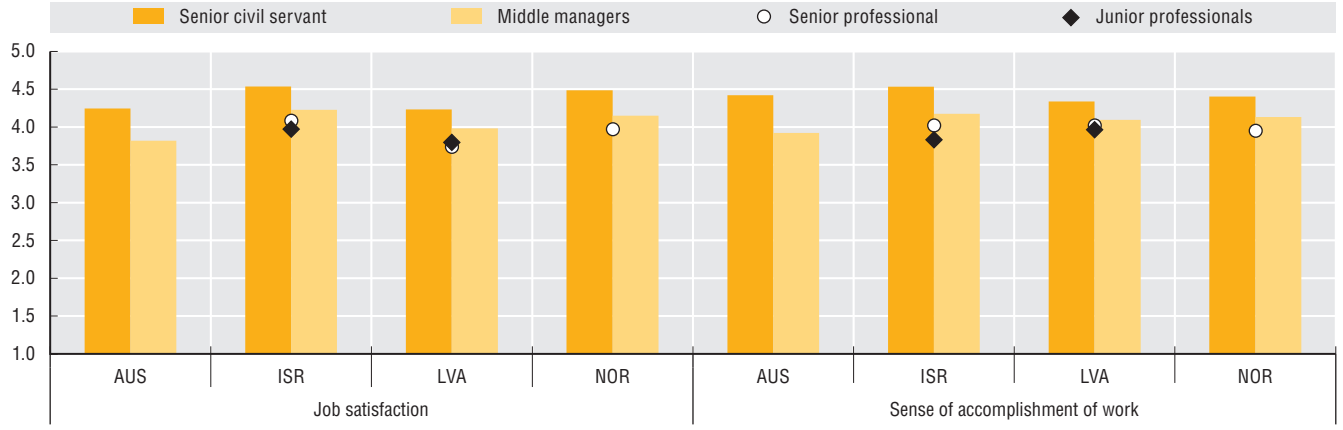


Source: Central government civil service surveys using OECD standard module on employee engagement.

StatLink https://stat.link/oxks6p

13.9. Civil servants' levels of engagement by position, 2022

Average on a scale from 1-5

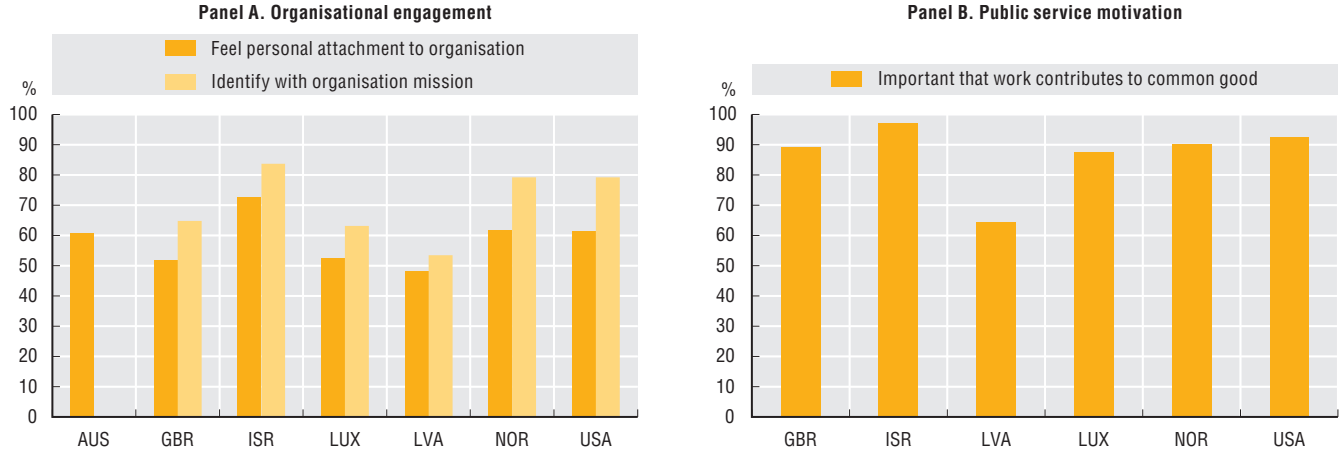


Source: Central government civil service surveys using OECD standard module on employee engagement.

StatLink https://stat.link/v924i6

13.10. Civil servants' engagement with their organisations and public service motivation, 2022

Share of employees agreeing or strongly agreeing



Source: Central government civil service surveys using OECD standard module on employee engagement.

StatLink https://stat.link/xvkg7m

Structure and indicators

In order to accurately interpret the data included in *Government at a Glance 2023*, readers need to be familiar with the following methodological considerations that cut across a number of indicators. Starting with Chapter 2, individual indicators are presented in a standard format on two pages. The first page contains text that explains the relevance of the topic and highlights some of the major differences observed across OECD countries. This is followed by a "Methodology and definitions" section, which describes the data sources and provides important information necessary to interpret the data. Closing the first page is a "Further reading" section, which lists useful background literature providing context to the data displayed. The second page showcases the data. Figures show current levels and, where possible, trends over time.

Definition of government

Data on public finances are based on the definition of the sector "general government" found in the System of National Accounts (SNA). Accordingly, general government comprises ministries/departments, agencies, offices and some non-profit institutions at the central, state and local level, as well as social security funds. Data on revenues and expenditures are presented both for central and sub-central (state and local) levels of government and (where applicable) for social security funds. Data on employment also refer to general government, although data on employment by gender refer to the public sector, which covers both general government as well as publicly owned resident enterprises and companies. Finally, data on public management practices and processes refer to those practices and processes in the central level of government only unless specified differently.

Calendar year/fiscal year in National Accounts data

Unless specified, data from the OECD National Accounts are based on calendar years.

Data for Australia and New Zealand refer to fiscal years: 1 July of the year indicated to 30 June for Australia and 1 April of the year indicated to 31 March for New Zealand. For Japan, data regarding sub-sectors of general government and expenditures by classification of the functions of government (COFOG) refer to fiscal year.

The data on public finances and economics, based on the *System of National Accounts* (SNA), were extracted from the *OECD National Accounts Statistics* (database) and the *Eurostat Government Finance Statistics* (database) on 5 May 2023. The data on public employment were extracted from the *OECD National Accounts Statistics* (database) and the *ILOSTAT* (database) on 17 April 2023.

Country coverage

Government at a Glance 2023 includes data for all 38 OECD countries based on available information. The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

Some additional accession countries, such as Brazil, Bulgaria, Croatia and Romania, as well as other OECD key partners also supplied data for some indicators. Data for these non-member countries are presented separately at the end of tables and figures.

Country abbreviations

OECD countries			
Australia	AUS	Netherlands	NLD
Austria	AUT	New Zealand	NZL
Belgium	BEL	Norway	NOR
Canada	CAN	Poland	POL
Chile	CHL	Portugal	PRT
Colombia	COL	Slovak Republic	SVK
Costa Rica	CRI	Slovenia	SVN
Czech Republic	CZE	Spain	ESP
Denmark	DNK	Sweden	SWE
Estonia	EST	Switzerland	CHE
Finland	FIN	Türkiye	TUR
France	FRA	United Kingdom	GBR
Germany	DEU	United States	USA
Greece	GRC		
Hungary	HUN	**OECD accession countries**	
Iceland	ISL	Brazil	BRA
Ireland	IRL	Bulgaria	BGR
Israel	ISR	Croatia	HRV
Italy	ITA	Romania	ROU
Japan	JPN		
Korea	KOR	**OECD key partners**	
Latvia	LVA	People's Republic of China (hereafter "China")	CHN
Lithuania	LTU	Indonesia	IDN
Luxembourg	LUX	South Africa	ZAF
Mexico	MEX		

OECD averages and totals

Averages

In figures, the OECD average is presented as unweighted, arithmetic mean or weighted average of the OECD countries for which data are available. It does not include data for non-member countries. In the notes, OECD countries for whom data are not available are listed.

If a figure depicts information for one or more years, the OECD average includes all OECD countries with available data. For instance, an OECD average for 2007 published in this edition includes all current OECD countries with available information for that year, even if at that time they were not members of the OECD. If an OECD country is not included in the

OECD average for a particular indicator this is generally due to a lack of backwards series and/or incompleteness and consistency of information in a certain domain.

In the case of *National Accounts* data, averages refer to the weighted average, unless otherwise indicated. The OECD average is calculated for 2021 as not all OECD countries have data available for 2022. However, together with the OECD average, the OECD-EU average is also included in this framework. The OECD-EU group comprises countries which are both members of the OECD and European Union (namely: Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Poland, Portugal, Slovak Republic, Slovenia, Spain and Sweden; the United Kingdom is not part of this composition as is not anymore, an EU member country). For these OECD and OECD-EU averages, the method of aggregation for the calculation of the indicators expressed as ratios (e.g. government expenditures in terms of GDP) use the denominator as weight (in this case the GDP, market prices, which is expressed in PPP).

Totals

OECD totals are most commonly found in tables and represent the sum of data in the corresponding column for the OECD countries for which data are available. Totals do not include data for non-member countries. In the notes, OECD countries for whom data are not available are listed.

Online supplements

For several indicators, additional tables and figures presenting country-specific data or annexes with complementary information on the indicator methodology can be found online. When available, these are noted in the "Methodology and definitions" section of the indicator. *Government at a Glance 2023* also offers access to StatLinks, a service that allows readers to download the featured data's corresponding Excel files. StatLinks are found at the bottom right-hand corner of the tables or figures and can be typed into a web browser or, in an electronic version of the publication, clicked on directly.

In addition, the following supplementary materials are available online at: *www.oecd.org/publication/government-at-a-glance/2023/*:

- The Government at a Glance data portal includes a selection of indicators in interactive format.
- Country fact sheets that present key data by country compared with the OECD average.
- The *Government at a Glance* statistical database, which includes regularly updated data for a selection of quantitative indicators via *OECD.Stat* and the publication of qualitative data for the surveys collected by the Public Governance Directorate of the OECD via a dedicated web platform.

Per capita indicators

Some indicators (i.e. expenditures, revenues and government debt) are shown on a per capita (i.e. per person) basis. The underlying population estimates are based on the System of National Accounts notion of residency. They include persons who are resident in a country for one year or more, regardless of their citizenship, and also include foreign diplomatic personnel and defence personnel together with their families, students studying and patients

seeking treatment abroad, even if they stay abroad for more than one year. The one-year rule means that usual residents who live abroad for less than one year are included in the population, while foreign visitors (for example, tourists) who are in the country for less than one year are excluded. An important point to note in this context is that individuals may feature as employees of one country (contributing to the gross domestic product [GDP] of that country via production), but residents of another (with their wages and salaries reflected in the gross national income of their resident country).

Purchasing power parities

Purchasing power parities (PPPs) are the rates of currency conversion that equalise the purchasing power of different countries by eliminating differences in price levels between countries. When converted by means of PPPs, expenditures across countries are in effect expressed at the same set of prices, meaning that an equivalent bundle of goods and services will have the same cost in both countries, enabling comparisons across countries that reflect only the differences in the volume of goods and services purchased.

PPPs for current and historical series are produced and updated by the OECD with a specific procedure. PPPs for a given year T are published in five steps:

1. At T+2 months: first PPP estimates, for GDP only
2. At T+6 months: second PPP estimates, based on detailed extrapolations, for GDP, households' actual individual consumption (AIC) and individual household consumption (IHC)
3. At T+12 months: third PPP estimates, incorporating all price and expenditure data for year T
4. At T+24 months: fourth PPP estimates, incorporating updated expenditure estimates
5. At T+36 months: final PPP estimates for year T.

Historical PPP data until 2021 might be revised at the end of March of each year in order to incorporate revisions in National Accounts' deflators. In addition, first estimates for 2022 (GDP only) will be produced in this month. In December 2016, historical PPP data until 2012 were exceptionally revised for all European countries.

Additional information is also available at *www.oecd.org/sdd/prices-ppp/*.

Composite indicators

This publication includes descriptive composite indices in narrowly defined areas related to budgeting practices and infrastructure planning and delivery. These composite indexes are a practical way of summarising discrete, qualitative information. The composites presented in this publication were created in accordance with the steps identified in the *Handbook on Constructing Composite Indicators* (Nardo et al., 2008[1]).

Details about the methodology used to construct the composite indicators on green budgeting, gender budgeting, communications by independent fiscal institutions, and infrastructure governance are available in Annexes A and B. While the composite indicators were developed in co-operation with OECD countries and are based on theory and/or best practices, the variables included in the indexes and their relative weights are based on expert judgments and, as a result, may change over time. Details about the composites on sectoral regulators is found in (Casullo, Durand and Cavassini, 2019[2]).

Signs and acronyms

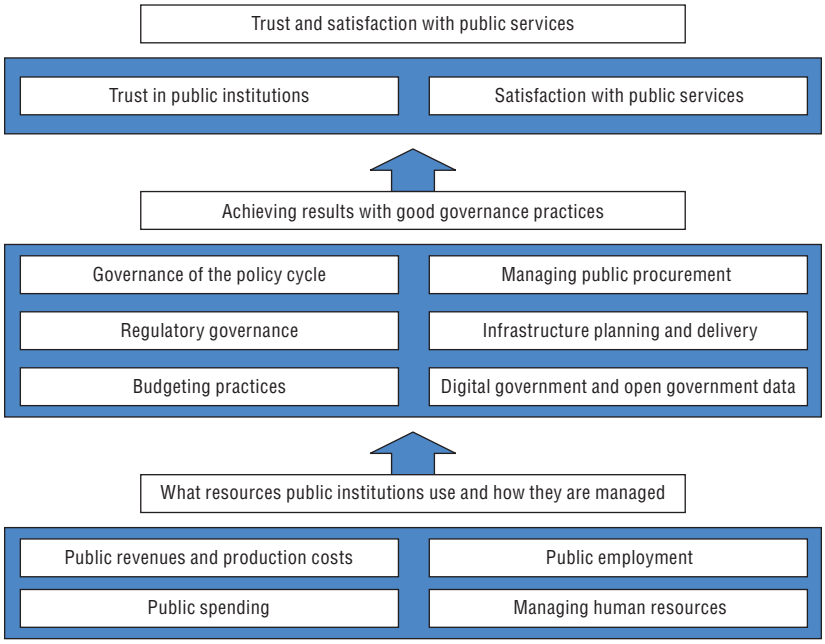
Sign/acronym	Meaning
..	Missing values
-	Not applicable (unless otherwise stated)
ADR	Alternative dispute resolutions
CBA	Central budget authority
COFOG	Classification of the functions of government
CIO	Chief information officer
CPA	Central public administration
GDP	Gross domestic product
GFS	Government Financial Statistics
GFSM	Government Finance Statistics Manual
HR	Human resources
HRM	Human resources management
ICT	Information and communication technology
ILO	International Labour Organization
IMF	International Monetary Fund
IODC	International Open Data Charter
ISO	International Organisation for Standardisation
IT	Information technology
OCSC	Office of the Civil Service Commission
OGD	Open government data
PBO	Parliamentary budget offices
PISA	Programme for International Student Assessment
p.p.	Percentage points
PPPs	Purchasing power parities / private-public partnerships
PR	Proportional representation
PRP	Performance-related pay
R&D	Research and development
SCS	Senior civil servants
SDGs	Sustainable Development Goals
SDRs	Special drawing rights
SHRM	Strategic human resources management
SMEs	Small and medium-sized enterprises
SNA	System of National Accounts
VAT	Value-added tax
WEO	World Economic Outlook
WJP	World Justice Project

Framework of the publication

The Focus Chapter of this edition on the topic of Democratic Resilience in an Era of Multiple Crises builds from the OECD Reinforcing Democracy Initiative and argues that governments must invest further in democratic resilience to address risks from multiple, simultaneous crises and emerging threats to democracy. Drawing from evidence and data collected from the OECD Public Governance Committee, the Focus Chapter calls on governments to adopt more advanced practices to enhance democratic governance and build trust in public institutions. Three specific areas for government action are identified, including to: i) **Build** on democratic strengths such as citizen and stakeholder participation and representation, inclusion, innovation and co-operation; ii) **Reinforce** key governance competencies to support delivery in the context of multiple crises; and iii) **Protect** against active threats to public trust arising from failings in public integrity and mis- or disinformation.

In turn, the 2023 edition of Government at a Glance presents a new structure around three broad categories: 1) Trust and satisfaction with public services; 2) Achieving results with good governance practices; and 3) What resources public institutions use and how are they managed. Figure 1 presents the conceptual framework for Government at a Glance.

Figure 1. **Conceptual framework Government at a Glance**



Trust and satisfaction with public services

This section includes evidence on public governance outcomes (i.e. trust in public institutions and satisfaction with public services) as perceived by people as well as some of the drivers leading to high or low levels for each of these indicators. Based on the OECD survey on the Drivers of Trust in Public Institutions, for the first time this issue of *Government at a Glance* includes primary evidence on the levels trust in different institutions as well as on the drivers of trust in the civil service and on socioeconomic characteristics affecting trust levels (Chapter 2).

The satisfaction with public services chapter is based on the serving citizens framework that encompasses indicators on access, responsiveness and quality of services across three sectors: healthcare, education, and justice. As usual the selection of indicators has been agreed with health and education experts at the OECD. Following OECD research on the drivers of services performance this edition presents and streamlined selection of indicators encompassing fewer but better targeted indicators (Baredes, 2022[3]). The scorecards monitoring the relative performance and evolution over time are also maintained. In addition, for the first time this edition includes indicators on administrative services as the fourth sector for which indicators are presented in the chapter; however, the amount of information available does not allow yet to include them in the scorecards (Chapter 3).

Achieving results with good governance practices

In order to design and implement public policies and deliver public services, public institutions work through public governance processes and practices undertaken by governments to deliver to people. These address the means used by public administrations to fulfil their duties and obtain their goals. In consequence, they are often essential for ensuring the rule of law, accountability, fairness, advance in the green transition and ensure openness of government actions. Public sector reforms often target these processes; as

such, they capture the public's attention. The data included in this section are generated by the different Public Governance communities and are to a large extent the specificity of Government at a Glance. This edition includes chapters on the governance of the policy cycle (Chapter 4), budgeting practices (Chapter 5), regulatory governance (Chapter 6), managing public procurement (Chapter 7) infrastructure planning and delivery (Chapter 8) as and digital government and open government data (Chapter 9).

What resources public institutions use and how are they managed

This section of the publication refers to the resources used by governments to deliver as well as how they are mixed; these resources correspond to labour and capital. The chapters that describe inputs and public management practices include public revenues and production costs (Chapter 10) public spending (Chapter 11) and public employment (Chapter 12) as well as managing human resources (Chapter 13).

References

Baredes, B. (2022), "Serving citizens: Measuring the performance of services for a better user experience", *OECD Working Papers on Public Governance*, No. 52, OECD Publishing, Paris, *https://doi.org/10.1787/65223af7-en*. [3]

Casullo, L., A. Durand and F. Cavassini (2019), "The 2018 Indicators on the Governance of Sector Regulators - Part of the Product Market Regulation (PMR) Survey", *OECD Economics Department Working Papers*, No. 1564, OECD Publishing, Paris, *https://doi.org/10.1787/a0a28908-en*. [2]

Nardo, M. et al. (2008), *Handbook on Constructing Composite Indicators: Methodology and User Guide*, OECD, Paris, *https://www.oecd.org/sdd/42495745.pdf*. [1]

ANNEX A

Methodology for composite indexes on green budgeting, gender budgeting, and communications by independent fiscal institutions

General background

The narrowly defined composite indexes described here represent the best way of summarising discrete, qualitative information. "Composite indexes are much easier to interpret than trying to find a common trend in many separate indicators" (Nardo et al., 2005[1]). However, their development and use can be controversial. These indexes are easily and often misinterpreted by users due to a lack of transparency about how they are generated, which makes it difficult to truly unpack what they are actually measuring.

The OECD has taken several steps to avoid or address common problems associated with composite indexes. The composites presented in this publication were developed using the steps identified in the Handbook on Constructing Composite Indicators (OECD/European Union/EC-JRC, 2008[2]) that are necessary for the meaningful construction of composite or synthetic indexes.

Each composite index is based on a theoretical framework representing an agreed concept in the area it covers. The variables comprising the indexes are chosen based on their relevance to the concept. Each index is constructed in close collaboration with the relevant OECD expert groups, which advised on the variables and the weighting schemes to use for the composite.

A number of statistical analyses were also conducted to ensure the validity and reliability of the composite indexes. The survey questions used to create the indexes are the same across countries, to ensure indexes are comparable. In order to eliminate scale effects, all indicators and variables were normalised between "0" and "1" for comparability. To build the composites, all indicators were aggregated using a linear method. The index scores were determined by adding together the weighted scores of each indicator. Statistical tools (i.e. Cronbach's alpha) were also employed to establish the degree of correlation among a set of variables comprised in each index and to check their internal reliability. This implies that all of the variables comprised in each index have intrinsic value but are also interlinked and capture the same underlying concept. Finally, sensitivity analysis using Monte Carlo simulations was carried out to establish the robustness of the index scores to different weighting options.

2022 Green Budgeting Index

Green budgeting refers to integrating climate and environmental considerations into the budgetary process. It involves the use of special initiatives, processes and analytical tools with a view to promoting policies and investments that help achieve climate and environmental goals and commitments. The 2022 OECD Green Budgeting Index

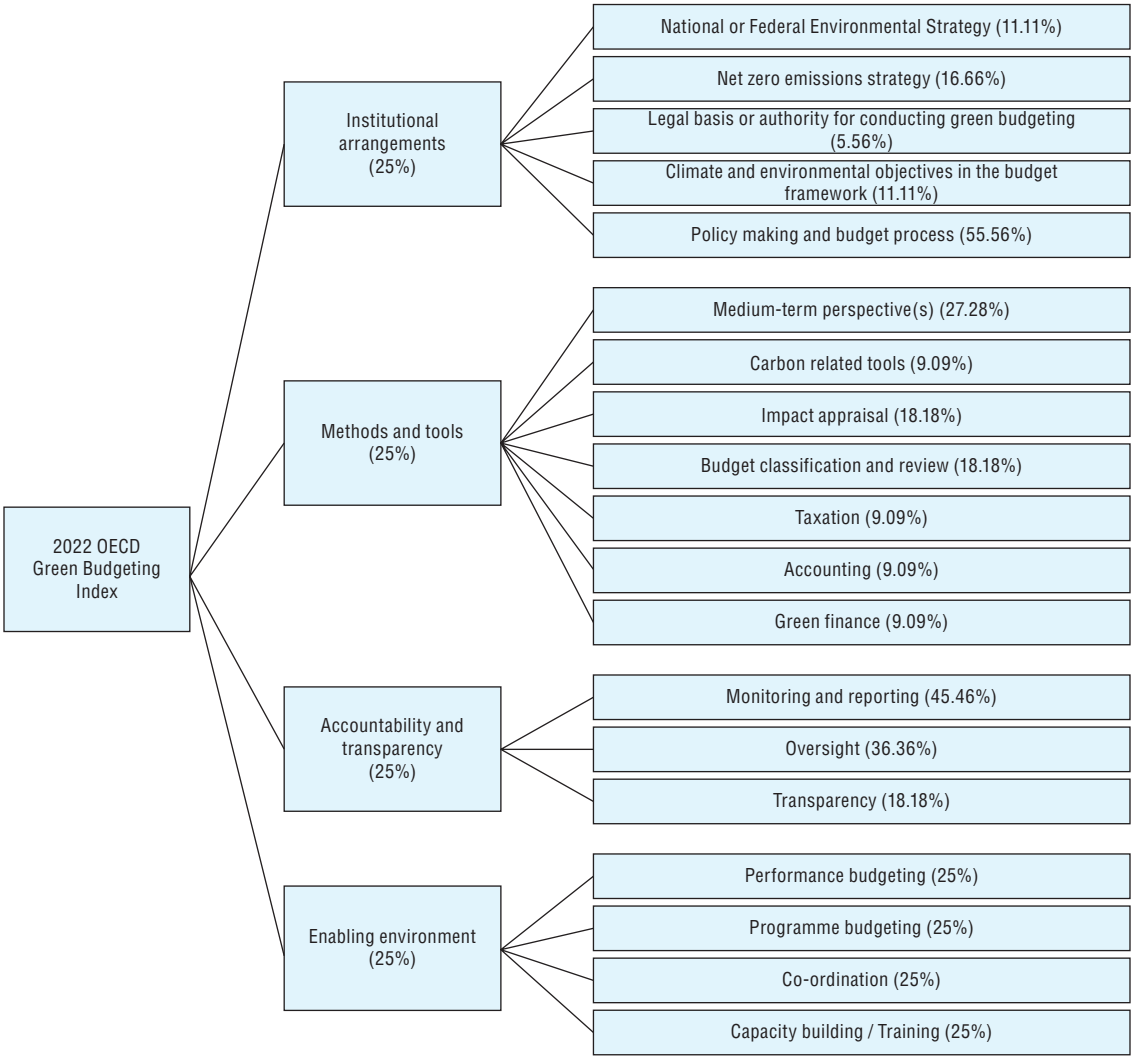
is designed around the four building blocks in the OECD Green Budgeting Framework: 1) institutional arrangements; 2) methods and tools; 3) accountability and transparency; and 4) the enabling environment in budgeting (OECD, 2020[3]). Each building block is weighted equally (25%).

Data used for the construction of the 2022 OECD Green Budgeting Index are derived from the 2022 OECD Survey on Green Budgeting. Survey respondents were predominantly budget officials within central budget authorities in OECD countries. The variables and weights comprised in the index were selected based on their relevance to the concept by a group of experts within the OECD and in consultation with country delegates to the OECD Paris Collaborative on Green Budgeting. While the 2022 OECD Green Budgeting Index allows for cross-country comparison, it is not context specific, nor can it fully capture the complex realities of the quality, use and impact of green budgeting approaches. This comparison should hence not be seen as a measurement of quality or a ranking. It shows that countries have adopted multi-initiative approaches to green budgeting by using each of the four building blocks (OECD, forthcoming[4]).

Variables and weights

The components used in the construction of this index, and the weights given to each, are indicated in the figure below.

Figure A.1. **2022 OECD Green Budgeting Index: Variables and weights used**



Evolution over time

The 2022 Green Budgeting Index is an update of the 2021 OECD Green Budgeting Index reflecting changing practices and new items in response to country requests. The objective of the update was to strengthen the composition of the four building blocks. New additions include developments that are affecting the way climate and environmental considerations are being integrated into government budgets. Examples include net-zero emissions strategies, medium-term budgeting tools, oversight mechanisms and co-ordination across levels of government. The two versions of the index are therefore not comparable.

Although the composite index was developed in co-operation with OECD countries and is based on best practice and/or theory, both the variables and the weights comprised in the composite may be further refined over time to ensure they continue to capture the changing practices and elements that underpin a comprehensive green budgeting framework.

Statistical analyses

Sensitivity analysis was carried out to establish the robustness of the indicators to different weighting options through Monte Carlo simulations. The results of the sensitivity analysis at building block level for the 2022 OECD Green Budgeting Index show that, for most of the countries analysed, total scores are not very sensitive to the choice of values given to the categories. Cronbach's alpha coefficient is equal to 0.75, indicating that the building blocks are measuring the same underlying construct (OECD, forthcoming[4]).

2022 OECD Gender Budgeting Index

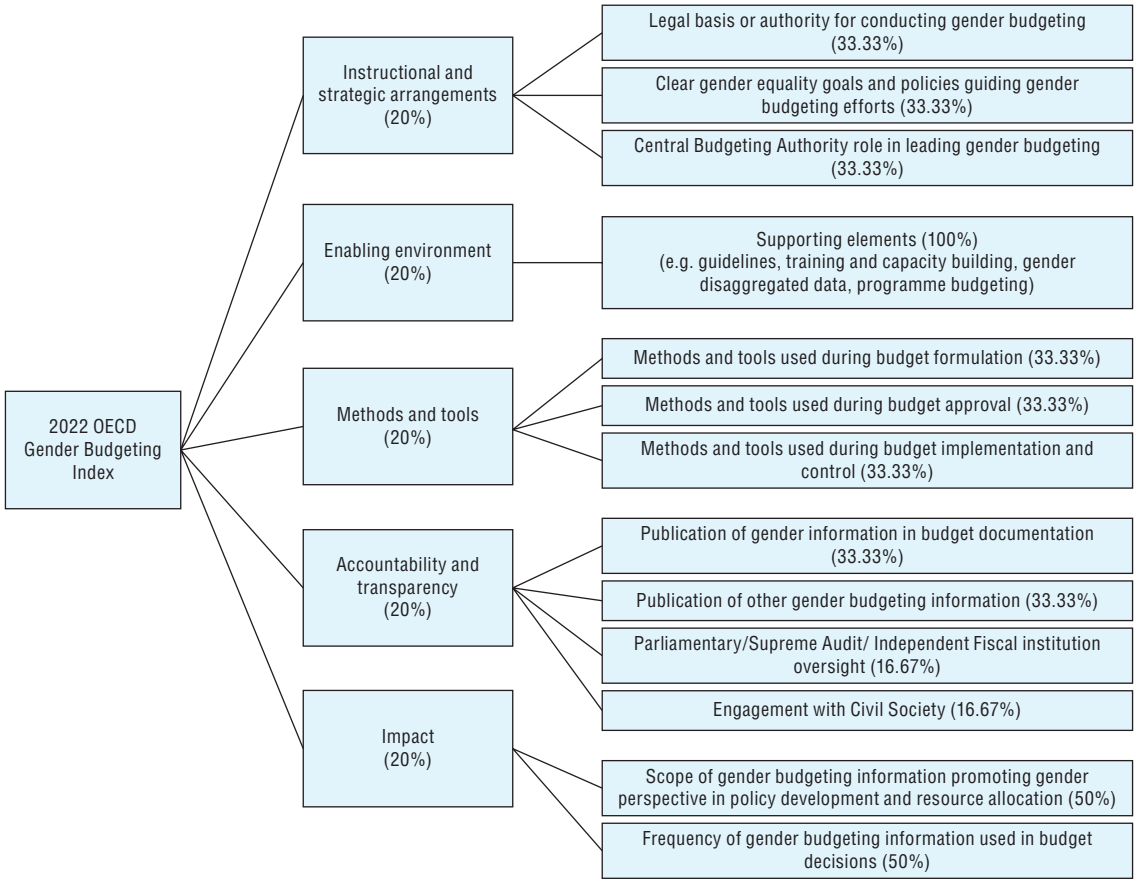
Gender budgeting refers to the integration of a clear gender perspective within the overall context of the budgetary process. It involves the use of special processes and analytical tools with a view to promoting policies and investments that help achieve gender equality goals. To strengthen the implementation of gender budgeting, the OECD has recently updated its Framework on Gender Budgeting, now capturing five building blocks: 1) institutional and strategic arrangements; 2) enabling environment; 3) methods and tools; 4) accountability and transparency; and 5) impact (Gatt Rapa and Nicol, 2023, forthcoming[5]). The 2022 OECD Gender Budgeting Index is designed around these five building blocks. Each building block is weighted equally (20%).

Data used for the construction of the 2022 OECD Gender Budgeting Index are derived from the 2022 OECD Survey on Gender Budgeting. Survey respondents were predominantly senior budget officials within central budget authorities in OECD countries. The variables and weights comprised in the index were selected based on their relevance to the building block by a group of experts within the OECD and in consultation with country delegates to the Senior Budget Officials (SBO) Network on Gender Budgeting. While the 2022 OECD Gender Budgeting Index allows for cross-country comparison, it is not context specific, nor can it fully capture the complex realities of the quality, use and impact of gender budgeting approaches. This comparison should hence not be seen as a measurement of quality or a ranking. It shows that countries have adopted multi-initiative approaches to gender budgeting by using each of the five building blocks (Gatt Rapa and Nicol, 2023, forthcoming[6]).

Variables and weights

The components used in the construction of this index, and the weights given to each, are indicated in the figure below.

Figure A.2. **2022 OECD Gender Budgeting Index: Variables and weights used**



Evolution over time

The 2022 Gender Budgeting Index is an update of the 2018 OECD First Pass at an Index on Gender Budgeting (OECD, 2019[7]) reflecting changing practices and new items in response to country requests. For example, two new pillars have been added to the index: 1) accountability and transparency; and 2) impact. The two versions of the index are therefore not comparable.

Although the composite index was developed in co-operation with OECD countries and is based on best practices and/or theory, both the variables and the weights comprised in the composite may be further refined over time to ensure it continues to capture the changing practices and elements that underpin a comprehensive gender budgeting framework.

Statistical analyses

Sensitivity analysis was carried out to establish the robustness of the indicators to different weighting options through Monte Carlo simulations. The results from the sensitivity analysis at the building block level for the 2022 OECD Gender Budgeting Index show that, for the majority of countries analysed, total scores are not very sensitive to the choice of values given to the categories. Cronbach's alpha coefficient is equal to 0.84, indicating that the building blocks are measuring the same underlying construct (Gatt Rapa and Nicol, 2023, forthcoming[6]).

2021 OECD Independent Fiscal Institutions' (IFI) Communications Index

The OECD Principles for Independent Fiscal Institutions call on IFIs to develop effective communication channels from the outset as these are key to achieving impact (OECD, 2014[8]). The 2021 OECD IFI Communications Index provides a measure of communication practices at

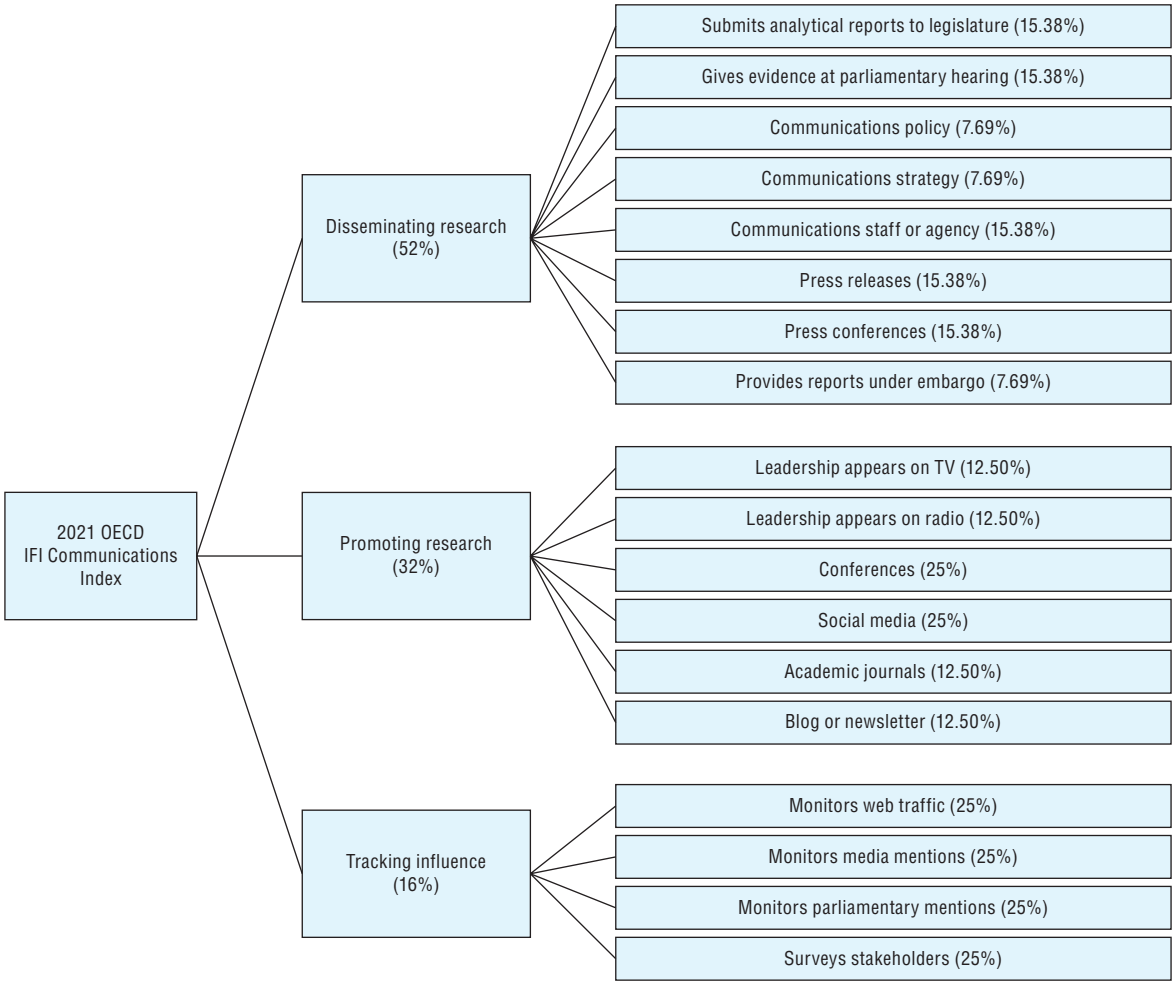
the national level across OECD IFIs. The index considers institutional arrangements in relation to three different aspects of communications, each with different weights: 1) disseminating research (52%); 2) promoting research (32%); and 3) tracking influence (16%).

Data used for the construction of the 2021 OECD IFI Communications Index are derived from the OECD Independent Fiscal Institutions Database (OECD, 2021[9]). The data were collected via desk research and then verified and validated by relevant senior officials in the OECD's Working Party of Parliamentary Budget Officials and Independent Fiscal Institutions. The variables and weights comprised in the index were selected based on their relevance to the concept by a group of experts within the OECD and in consultation with delegates to the Working Party of Parliamentary Budget Officials and Independent Fiscal Institutions. The weights reflect the relative importance given to the variables contributing to the three dimensions.

Variables and weights

The components used in the construction of this index, and the weights given to each, are indicated in the figure below.

Figure A.3. **2021 OECD IFI Communications Index: Variables and weights used**



A detailed explanation on the components of the 2021 OECD IFI Communications Index is available online at *https://www.oecd.org/gov/govataglance.htm*, including the variables, answer options, scores and weights used to construct the composite index, as well as the statistical analysis carried out.

Statistical analyses

Sensitivity analysis was carried out to establish the robustness of the index scores to different weighting options through Monte Carlo simulations. The results from the sensitivity analysis at variables level for the 2021 OECD IFI Communications Index show that, for the majority of the countries analysed, total scores are not very sensitive to the choice of values given to the categories. Cronbach's alpha coefficient is equal to 0.79, indicating that the variables are measuring the same underlying construct.

References

Gatt Rapa, K. and S. Nicol (2023, forthcoming), *Gender Budgeting in OECD Countries 2023*, OECD Publishing, Paris. [6]

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OECD (forthcoming), *Green budgeting in OECD Countries - 2022 OECD Green Budgeting Survey Results*, OECD Publishing, Paris. [4]

OECD/European Union/EC-JRC (2008), *Handbook on Constructing Composite Indicators: Methodology and User Guide*, OECD Publishing, Paris, *https://doi.org/10.1787/9789264043466-en*. [2]

ANNEX B

Methodology for the infrastructure governance indicators

The OECD Infrastructure Governance Indicators (IGIs) are intended to support and monitor the implementation of the OECD Recommendation on the Governance of Infrastructure (hereafter "the Recommendation"), adopted by the OECD Council on 17 July 2020 (OECD, 2020[1]). The Recommendation is based on 10 pillars that relate to how governments plan, prioritise, fund, budget, deliver, operate and monitor infrastructure assets. It presents a whole-of-government approach, covering the entire life cycle of infrastructure projects and placing special emphasis on regional, social, resilience, environmental perspectives and the gender perspective. The overarching nature of the Recommendation's pillars allows for exhaustive analysis of the multiple governance dimensions that are at play in infrastructure planning, decision making and delivery. They therefore provide a robust conceptual framework for the development of the IGIs. The pillars represent both conceptual categories and functional areas of work. As such, the pillars are not standalone entities and interact with one another to support a comprehensive overview of infrastructure governance.

The IGIs serve as a diagnostic tool to help countries assess their current stage of development and identify the dimensions that may require more attention. In particular, the IGIs aim to achieve the following goals:

- map OECD countries' state of play regarding infrastructure governance, identifying strengths and weaknesses
- provide tools for countries to self-assess their performance in each of the infrastructure governance pillars highlighted in the Recommendation
- provide a comprehensive view and deeper understanding of the different pillars that compose the infrastructure governance framework
- allow countries to identify changes in their performance on infrastructure governance through time
- draw attention to how much data are available and needed to measure infrastructure governance, as well as the benefits of building a comprehensive database in the field
- contribute to the discussion on the relationship between infrastructure governance and infrastructure outcomes.

In addition to a general assessment, the IGIs also serve to pinpoint specific areas within each pillar that may require further development from each country. Results at a more granular level (i.e. performance on the sub-components of each dimension) allow for a more in-depth assessment.

As with other composite indicators, the methodology used for building the IGIs is based on the Handbook on Constructing Composite Indicators (OECD/European Union/EC-JRC, 2008[2]). It has also been shared and discussed with experts and public officials from the Network of Senior Infrastructure and PPP Officials (SIP) and the Working Party of the Leading Practitioners on Public Procurement (LPP).

Structure of the IGIs

The IGIs are measured and presented in composite indicators, one for each of the pillars arising from the Recommendation, plus the cross-cutting pillar on environmentally sustainable and climate-resilient infrastructure. Each pillar can be disaggregated into groups of variables, called sub-pillars. These sub-pillars reflect countries' performance at a more granular level. The nested structure helps countries understand the driving forces behind each of the composite indicators.

Implementation of the IGIs by phase

The implementation of the IGIs is being carried out in three phases. Three composite indicators were built in the first phase. In the second phase, five composite indicators were built, measuring the following pillars: 1) transparent, systematic and effective stakeholder participation; 2) coherent, predictable, and efficient regulatory framework; 3) a whole-of-government approach to managing threats to integrity; 4) evidence-informed decision making; and 5) environmentally sustainable and climate-resilient infrastructure. In the third and final phase, the composite indicators for the remaining pillars will be developed (see Figure B.1). The results for the full set of indicators will provide an overarching analysis of countries' performance across all dimensions of the Recommendation and on the cross-cutting pillar on environmentally sustainable and climate-resilient infrastructure. This edition of *Government at a Glance* presents and discusses the results for four pillars of the second phase (see Figure B.2). Results from the first phase are available in the OECD Infrastructure Toolkit (OECD, n.d.[3]).

Figure B.1. **Implementation of data collection by phase**

Data collection and validation

The IGIs were built using data collected via OECD survey instruments, namely the Survey on the Governance of Infrastructure and other relevant data collected from OECD policy communities. The survey was designed based on inputs from relevant divisions/directorates of the OECD and in consultation with the SIP and the LPP. Invitations to participate in the survey were sent to all OECD countries, including delegates from the SIP and main contact points in country delegations. SIP officials co-ordinated responses across government, which in some cases came from specific sectors (transport being the most common) or other competent ministries. Respondents were predominantly senior officials in the central/federal ministries of infrastructure, public works and finance, as well as in infrastructure agencies and other line ministries.

The process included various steps to ensure the highest standards in data quality and accuracy. Before the survey was launched, the questionnaire and the glossary of key terms were discussed with relevant divisions/directorates of the OECD and circulated among the delegates of the SIP for comments. A data validation process was used to check for internal and external consistency in the survey responses, comparing the answers to previous answers provided in related questionnaires, and verifying that supporting evidence was systematically provided before validating the responses.

Selection of variables and re-coding

The sub-pillars were constructed from a set of variables that aim to measure the adoption and adequacy of governance practices in line with the Recommendation. The variables were selected in order to measure countries' performance in infrastructure governance in terms of inputs and processes (e.g. policy tools, norms of interaction, decision-making methodologies and monitoring strategies). The proposed composite indicators did not include variables related to outputs or outcomes (e.g. levels of investment, quality of infrastructure services, or amounts of capital stock and achievement of policy objectives). It is important to note that the selection of variables and re-coding, and thus the structure of the composite indicators, could be subject to change in future editions of the IGIs to account for changes in institutional, political and economic settings across OECD countries. An overview of the sub-pillars under each of the four pillars presented in this edition of the *Government at a Glance* is shown below in Figure B.2.

The OECD Survey on the Governance of Infrastructure was designed to collect qualitative data. Therefore, the responses to the survey questions were re-coded using numerical values between 0 and 1, where 1 is the maximum value and indicates complete alignment with the best practices highlighted in the Recommendation, and 0 is the minimum value indicating the absence of such practices in the country.

For sector-specific questions, the survey covered five sectors – transport, energy, social, water and government office buildings. However, complete information was only available for the transport sector. In order to ensure comparability between countries responses, the composite indicators were built taking into account only the transport sector.

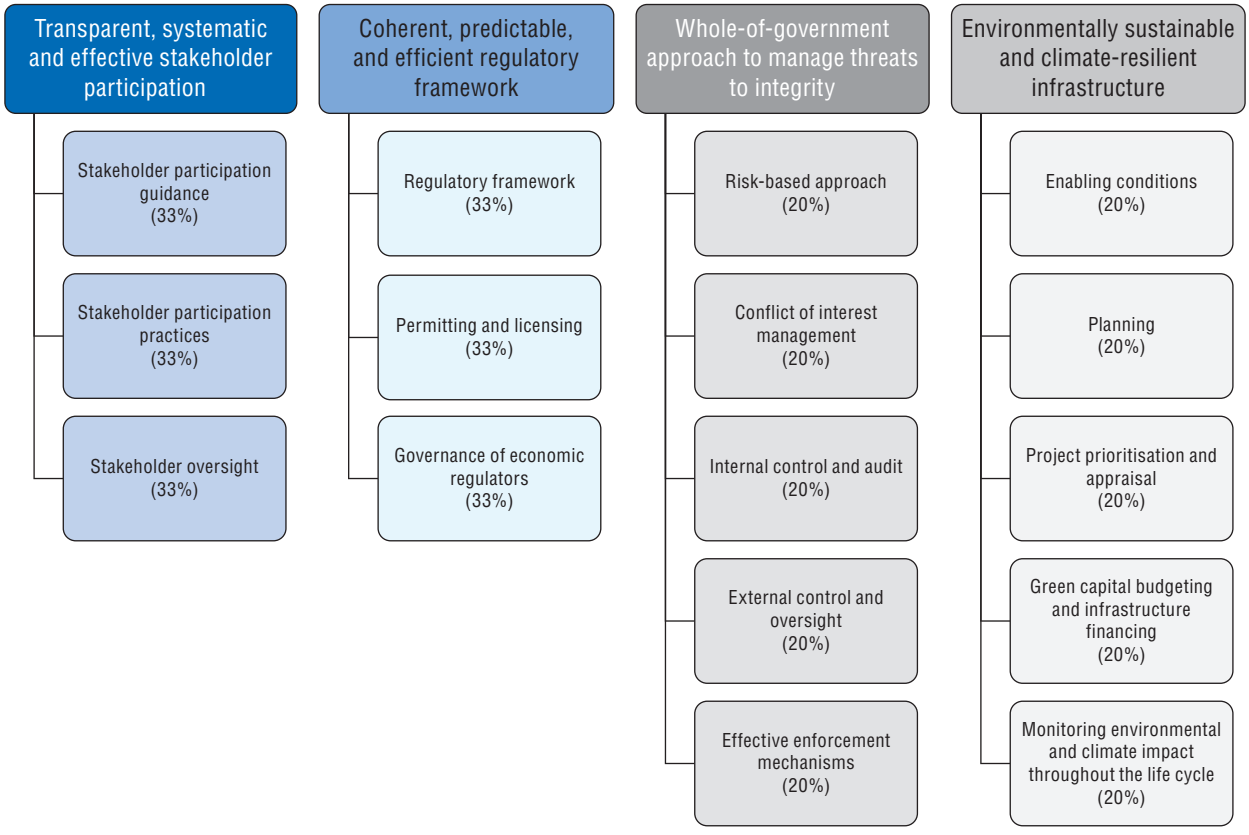
Under the pillar on regulatory framework, the sub-pillar on the governance of economic regulators aggregates two variables, the independence and accountability of economic regulators. These variables were built using the 2018 Indicators on the Governance of Sector Regulators. These indicators capture the governance arrangements of economic regulators in the energy, e-communications, rail transport, air transport and water sectors, and are structured around three pillars: independence, accountability and scope of action. To build both the variables, a simple average of the equivalent sector indicators for which data were

available was calculated. As the Indicators on the Governance of Sector Regulators take the values 0-6, with 0 indicating the most effective governance arrangement, they were reverse coded to build the independence and accountability of economic regulators variables of the governance of economic regulators sub-pillar.

One of the survey questions under the pillar on environmentally sustainable and climate-resilient infrastructure used data from the OECD 2021 Indicators of Regulatory Policy and Governance (iREG). The iREG present up-to-date evidence on regulatory policy and governance practices, measuring three key principles – stakeholder engagement, regulatory impact analysis (RIA) and *ex post* evaluation. They are based on responses to the 2021 Regulatory Indicators Survey provided by government bodies responsible for regulatory reform.

To simplify the processing of the data, under the whole-of-government approach to manage threats to integrity pillar, the survey to collect data includes separate sections on risk-based assessment (under the risk-based approach sub-pillar) and on internal control (under the internal control and audit sub-pillar), even though internal control (i.e. the measures aimed at mitigating the identified risks) is part of the risk management process.[1]

Figure B.2. **Infrastructure Governance Indicators: Pillars, sub-pillars and their corresponding weights used in this publication**



Missing data

Due to the cross-cutting nature of the concept of infrastructure governance, the OECD surveys on the governance of infrastructure require respondents from different institutions to provide information on the infrastructure governance frameworks and practices in a country. The composite indicator for each pillar was not calculated for countries that reported not having the information to answer two or more survey questions for any one of its sub-pillars. Consequently, those countries were not included in the OECD average indicator value for that

pillar. As the data used to build the composite indicators are qualitative, data imputation was not used to deal with missing data. However, it should be noted that where country responses were only based on practices applicable in a certain sector or sectors, these were retained and important caveats provided in relation to those.

Weighting and aggregation

To build the composite indicators, all the sub-pillars within each pillar were given equal weight. However, the variables within a sub-pillar were weighted differently depending on: 1) the number of variables that make up each sub-pillar, as the larger the number of variables within a sub-pillar the lower the weight each variable will have; and 2) the relevance of each variable, where greater weight was given to variables that are more relevant in measuring a specific sub-pillar. The weights assigned to the variables in each sub-pillar add up to 1. The weighted scores of all the variables are totalled to arrive at a sub-pillar score that ranges from 0 to 1.

The linear aggregation method was used to first aggregate the variables into a sub-pillar (i.e. weighted arithmetic mean), and then the sub-pillars into a composite indicator (i.e. arithmetic mean). Experts and public officials from the SIP and the LPP were consulted over the assignment of weights and the aggregation type before the final set of weights was confirmed.

Multivariate analysis

Multivariate analysis was employed to study the overall structure of the data collected. The analysis was used to further help guide methodological choices with respect to variable grouping and aggregation. The techniques used in the multivariate analysis are detailed below.

Factor analysis

Factor analysis was used to check the structure of the data along the variable dimension, to help identify groups of variables that are statistically similar and that could be regrouped under a sub-pillar where such grouping is conceptually relevant. The analysis was run separately for each pillar. Principal component factor analysis was used to extract the principal components and consider them as factors (groups of variables). The groups of variables offered by the factor analysis were interpreted together with the conceptual framework underpinning the composite indicators exercise.

The results were carefully reviewed to look for any set of variables that measure the same underlying dimension and that could be regrouped to avoid double-counting. The results offered several cases where the factors matched well the conceptual groupings (sub-pillars). In the case of variables with high levels of covariance but belonging to different initial conceptual groupings, the results were discussed with experts to determine if the variables needed to be regrouped. Following this consultation with experts, some sub-pillars under the pillar on environmentally sustainable and climate-resilient infrastructure were re-adjusted. In these cases, variables initially placed in different sub-pillars, but which were found to measure similar or highly related concepts, were combined under the most relevant sub-pillar.

Cronbach coefficient alpha

The Cronbach coefficient alpha (c-alpha) was used as a measure of internal consistency and scale reliability. The coefficient shows how related the variables are as a group and to what extent they measure the same underlying concept. A c-alpha of 0.7 is usually

recommended as an acceptable reliability threshold (Lafortune and Ubaldi, 2018[4]). The c-alpha test was used to measure internal consistency for each pillar. The coefficients for all the pillars except for the pillar on regulatory framework were over the threshold of 0.7. The coefficient for the pillar on regulatory framework was just below the threshold, at 0.69. This might be due to a combination of reasons. For example, two of the variables under this pillar were built using the 2018 OECD Indicators on the Governance of Sector Regulators, which themselves comprise composite indicators aggregating different underlying dimensions. On the other hand, the other variables under this pillar measure specific dimensions.

Sensitivity analysis

To assess the robustness of the composite indicators, Monte Carlo simulations were used to study how uncertainty in the weighting schemes affects the composite indicator values. This technique uses 1 000 sets of randomly generated simulated weights to calculate possible composite indicator scores for each country under different weighting schemes.

Measuring balance in sub-pillar scores

Good infrastructure governance requires improvements across multiple dimensions. Ideally, countries should make progress in all sub-pillars, and low scores in some should not be compensated with high scores in others (i.e. sub-pillars for a country should not show a wide range of values). For each pillar, a rating scale based on the coefficient of variation will be used to rate country profiles from balanced (low variability in country sub-pillar scores under a pillar) to unbalanced (high variability in country sub-pillar scores under a pillar). For each pillar, this analysis will show how balanced country profiles are with respect to sub-pillar scores and help identify countries with relatively high indicator values but with great variability in their sub-pillar scores. The analysis for each country will be presented in the OECD Infrastructure Toolkit (OECD, n.d.[3]).

References

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OECD (forthcoming), *Risk Management in Public Procurement: Good Practices and Guidelines*. [5]

OECD/European Union/EC-JRC (2008), *Handbook on Constructing Composite Indicators: Methodology and User Guide*, OECD Publishing, Paris, *https://doi.org/10.1787/9789264043466-en*. [2]

Note

1. For more information on risk management and its application, for example, to the procurement stage, please refer to OECD (forthcoming[5]).

ANNEX C

Reporting systems and sources of countries for government in the National Accounts statistics

Table C.1. **Reporting systems and sources of countries**

Country	Non-financial government accounts	Financial government accounts
OECD member countries		
Australia	SNA2008; OECD Annual National accounts, General government accounts	SNA2008; OECD Annual National accounts, Financial balance sheets, consolidated
Austria	ESA2010; OECD Annual National accounts, General government accounts	ESA2010; Eurostat Government financial statistics, Annual financial accounts for general government, consolidated*
Belgium	ESA2010; OECD Annual National accounts, General government accounts	SNA2008; OECD Annual National accounts, Financial balance sheets, consolidated
Canada	SNA2008; OECD Annual National accounts, General government accounts	SNA2008; OECD Annual National accounts, Financial balance sheets, consolidated
Chile	SNA2008; OECD Annual National accounts, General government accounts	SNA2008; OECD Annual National accounts, Financial balance sheets, non consolidated
Colombia	SNA2008; OECD Annual National accounts, General government accounts	SNA2008; OECD Annual National accounts, Financial balance sheets, consolidated
Costa Rica	SNA2008; OECD Annual National accounts, General government accounts	-
Czech Republic	ESA2010; OECD Annual National accounts, General government accounts	ESA2010; Eurostat Government financial statistics, Annual financial accounts for general government, consolidated*
Denmark	ESA2010; OECD Annual National accounts, General government accounts	SNA2008; OECD Annual National accounts, Financial balance sheets, consolidated/ ESA2010; Eurostat Government financial statistics, Annual financial accounts for general government, consolidated*
Estonia	ESA2010; OECD Annual National accounts, General government accounts	ESA2010; Eurostat Government financial statistics, Annual financial accounts for general government, consolidated*
Finland	ESA2010; OECD Annual National accounts, General government accounts	ESA2010; Eurostat Government financial statistics, Annual financial accounts for general government, consolidated*
France	ESA2010; OECD Annual National accounts, General government accounts	ESA2010; Eurostat Government financial statistics, Annual financial accounts for general government, consolidated*
Germany	ESA2010; OECD Annual National accounts, General government accounts	ESA2010; Eurostat Government financial statistics, Annual financial accounts for general government, consolidated*
Greece	ESA2010; OECD Annual National accounts, General government accounts	ESA2010; Eurostat Government financial statistics, Annual financial accounts for general government, consolidated*
Hungary	ESA2010; OECD Annual National accounts, General government accounts	ESA2010; Eurostat Government financial statistics, Annual financial accounts for general government, consolidated*
Iceland	SNA2008; OECD Annual National accounts, General government accounts	SNA2008; OECD Annual National accounts, Financial balance sheets, consolidated
Ireland	ESA2010; OECD Annual National accounts, General government accounts	ESA2010; Eurostat Government financial statistics, Annual financial accounts for general government, consolidated*
Israel	SNA2008; OECD Annual National accounts, General government accounts	SNA2008; OECD Annual National accounts, Financial balance sheets, consolidated
Italy	ESA2010; OECD Annual National accounts, General government accounts	ESA2010; Eurostat Government financial statistics, Annual financial accounts for general government, consolidated*

Table C.1. **Reporting systems and sources of countries** *(cont.)*

Country	Non-financial government accounts	Financial government accounts
Japan	SNA2008; OECD Annual National accounts, General government accounts	SNA2008; OECD Annual National accounts, Financial balance sheets, consolidated
Korea	SNA2008; OECD Annual National accounts, General government accounts	SNA2008; OECD Annual National accounts, Financial balance sheets, consolidated
Latvia	ESA2010; OECD Annual National accounts, General government accounts	ESA2010; Eurostat Government financial statistics, Annual financial accounts for general government, consolidated*
Lithuania	ESA2010; OECD Annual National accounts, General government accounts	ESA2010; Eurostat Government financial statistics, Annual financial accounts for general government, consolidated*
Luxembourg	ESA2010; OECD Annual National accounts, General government accounts	ESA2010; Eurostat Government financial statistics, Annual financial accounts for general government, consolidated*
Mexico	SNA2008; OECD Annual National accounts, General government accounts	SNA2008; OECD Annual National accounts, Financial balance sheets, non consolidated
Netherlands	ESA2010; OECD Annual National accounts, General government accounts	ESA2010; Eurostat Government financial statistics, Annual financial accounts for general government, consolidated*
New Zealand	SNA2008; OECD Annual National accounts, General government accounts	SNA2008; OECD Annual National accounts, Financial balance sheets, consolidated
Norway	SNA2008; OECD Annual National accounts, General government accounts	SNA2008; OECD Annual National accounts, Financial balance sheets, consolidated
Poland	ESA2010; OECD Annual National accounts, General government accounts	ESA2010; Eurostat Government financial statistics, Annual financial accounts for general government, consolidated*
Portugal	ESA2010; OECD Annual National accounts, General government accounts	SNA2008; OECD Annual National accounts, Financial balance sheets, consolidated
Slovak Republic	ESA2010; OECD Annual National accounts, General government accounts	SNA2008; OECD Annual National accounts, Financial balance sheets, consolidated
Slovenia	ESA2010; OECD Annual National accounts, General government accounts	ESA2010; Eurostat Government financial statistics, Annual financial accounts for general government, consolidated*
Spain	ESA2010; OECD Annual National accounts, General government accounts	ESA2010; Eurostat Government financial statistics, Annual financial accounts for general government, consolidated*
Sweden	ESA2010; OECD Annual National accounts, General government accounts	ESA2010; Eurostat Government financial statistics, Annual financial accounts for general government, consolidated*
Switzerland	SNA2008; OECD Annual National accounts, General government accounts	SNA2008; OECD Annual National accounts, Financial balance sheets, consolidated
Türkiye	SNA2008; OECD Annual National accounts, General government accounts	SNA2008; OECD Annual National accounts, Financial balance sheets, consolidated
United Kingdom	ESA2010; OECD Annual National accounts, General government accounts	SNA2008; OECD Annual National accounts, Financial balance sheets, consolidated
United States	SNA2008; OECD Annual National accounts, General government accounts	SNA2008; OECD Annual National accounts, Financial balance sheets, consolidated
OECD accession countries		
Brazil	SNA2008; OECD Annual National accounts, General government accounts	SNA2008; OECD Annual National accounts, Financial balance sheets, non consolidated
Bulgaria	ESA2010; OECD Annual National accounts, General government accounts	ESA2010; Eurostat Government financial statistics, Annual financial accounts for general government, consolidated*
Croatia	ESA2010; OECD Annual National accounts, General government accounts	ESA2010; Eurostat Government financial statistics, Annual financial accounts for general government, consolidated*
Romania	ESA2010; OECD Annual National accounts, General government accounts	ESA2010; Eurostat Government financial statistics, Annual financial accounts for general government, consolidated*

Note: * The source for the financial government accounts for these countries refers to Eurostat as it reflects the latest (validated) data updates (which are transmitted twice a year). For the other countries of the same domain the latest (validated) data updates have been transmitted to and drawn from the OECD National Accounts Statistics (database).

ANNEX D

Methodology for revenue aggregates

The following table provides detailed information on how the aggregates of taxes, net social contributions, sales, grants and other revenues presented in Chapter 10 "Public revenues and production costs" were constructed from the OECD *National Accounts* data.

Table D.1. **Revenue aggregates**

Label in Government at a Glance	Label in the System of National Accounts	Code in OECD National Accounts Data (Main aggregates of general government)
Taxes		
Indirect taxes	Taxes on production and imports, receivable	GD2R
Direct taxes	Current taxes on income and wealth, receivable	GD5R
Capital taxes	Capital taxes	GD91R
Net social contributions	Net social contributions	GD61R
Sales	Market output and output for own final use	GP11_P12R
	Payments for other non-market output	GP131R
Grants and other revenues		
Current and capital grants	Other current transfers, receivable	GD7R
	Other capital transfers and investment grants, receivable	GD92R_D99R
Subsidies	Other subsidies on production, receivable	GD39R
Property income	Property income, receivable	GD4R
Total revenues	Total revenues	GTR

ANNEX E

Classification of the Functions of Government (COFOG)

Developed by the OECD, the Classification of the Functions of Government (COFOG) classifies government expenditure data from the *System of National Accounts* by the purpose for which the funds are used. As Table E.1 illustrates, first-level COFOG splits expenditure data into ten "functional" groups or sub-sectors of expenditures (such as economic affairs, education and social protection), and second-level COFOG further splits each first-level group into up to nine sub-groups. First-level COFOG data are available for 34 out of the 38 OECD countries (according to time series availability), while second-level COFOG data are usually available for OECD European countries plus Australia, Colombia, Costa Rica, Israel and Japan.[1]

Table E.1. **First- and second-level COFOG**

First-level	Second-level
General public services	● Executive and legislative organs, financial and fiscal affairs, external affairs ● Foreign economic aid ● General services ● Basic research ● R&D general public services ● General public services n.e.c. ● Public debt transactions ● Transfers of a general character between different levels of government
Defence	● Military defence ● Civil defence ● Foreign military aid ● R&D defence ● Defence n.e.c.
Public order and safety	● Police services ● Fire-protection services ● Law courts ● Prisons ● R&D public order and safety ● Public order and safety n.e.c.
Economic affairs	● General economic, commercial and labour affairs ● Agriculture, forestry, fishing and hunting ● Fuel and energy ● Mining, manufacturing and construction ● Transport ● Communication ● Other industries ● R&D economic affairs ● Economic affairs n.e.c.

Table E.1. **First- and second-level COFOG** *(cont.)*

First-level	Second-level
Environmental protection	• Waste management • Waste water management • Pollution abatement • Protection of biodiversity and landscape • R&D environmental protection • Environmental protection n.e.c.
Housing and community amenities	• Housing development • Community development • Water supply • Street lighting • R&D housing and community amenities • Housing and community amenities n.e.c.
Health	• Medical products, appliances and equipment • Outpatient services • Hospital services • Public health services • R&D health • Health n.e.c.
Recreation, culture and religion	• Recreational and sporting services • Cultural services • Broadcasting and publishing services • Religious and other community services • R&D recreation, culture and religion • Recreation, culture and religion n.e.c.
Education	• Pre-primary and primary education • Secondary education • Post-secondary non-tertiary education • Tertiary education • Education not definable by level • Subsidiary services to education • R&D education • Education n.e.c.
Social protection	• Sickness and disability • Old age • Survivors • Family and children • Unemployment • Housing • Social exclusion n.e.c. • R&D social protection • Social protection n.e.c

Note: n.e.c.: "not elsewhere classified"

Note

1. First-level COFOG expenditures data are not available for Canada, Mexico, New Zealand and Türkiye. Until recently, second level COFOG data were available in some national statistical offices, but were not collected by international organisations. Moreover, the second-level COFOG data were not always fully comparable among countries because the SNA/UN guide and the International Monetary Fund Manual on Government Finance Statistics did not provide much practical information on the application of COFOG concepts. However, in 2005, Eurostat established a task force on guidance on the application of COFOG to national account expenditure data and to discuss the collection of second-level COFOG data for European countries. Second-level COFOG data are not available for several OECD non-European countries, except Australia, Colombia, Costa Rica, Israel and Japan. In addition, these data are available only for selected COFOG divisions in some countries. Efforts are underway to reach an agreement with these countries about the submission of these data to the OECD.

ANNEX F

Classification and definition of occupations

The following classification has been used in OECD surveys on the Composition of the workforce in central/federal governments since the 2016 Survey on Strategic Human Resource Management. It has also been used for the OECD standard survey module on Employee Engagement in civil services since 2020. Such classification defines the four main hierarchical levels on occupations. These definitions are broadly based on the International Standard Classification of Occupations (ISCO) maintained by the International Labour Organisation (ILO), and full definitions are available via the following link: *www.ilo.org/public/english/bureau/stat/isco/isco08/index.htm*. The classification and the definition of the occupations are an adaptation of the International Standard Classification of Occupations (ISCO-08) developed by the ILO. The reason for the adaptation is that not all countries follow the ISCO model to classify their occupations in government, as the occupations included at the national level may differ due to specific legal and administrative frameworks.

Table F.1. **Classification and definition of occupations**

Top Managers
D1 Managers (part of ISCO-08 1112) are top public servants just below the minister or secretary of state/ junior minister. They can be a member of the senior civil service and/or appointed by the government or head of government. They advise government on policy matters, oversee the interpretation and implementation of government policies and, in some countries, have executive powers. D1 managers may be entitled to attend some cabinet/council of ministers meetings, but they are not part of the cabinet/council of ministers. They provide overall direction and management to the ministry/secretary of state or a particular administrative area. In countries with a system of autonomous agencies, decentralised powers, flatter organisations and empowered managers, D1 managers will correspond to Director Generals.
D2 Managers (part of ISCO-08 11 and 112) are just below D1 managers. They formulate and review the policies and plan, direct, co-ordinate and evaluate the overall activities of the ministry or special directorate/unit with the support of other managers. They may be part of the senior civil service. They provide guidance in the co-ordination and management of the programme of work and leadership to professional teams in different policy areas. They determine the objectives, strategies, and programmes for the particular administrative unit/department under their supervision.
Middle managers (have managerial responsibilities for at least 3 staff)
D3 Managers (part of ISCO-08 12) are just below D2 managers. They plan, direct and co-ordinate the general functioning of a specific directorate/administrative unit within the ministry with the support of other managers usually within the guidelines established by a board of directors or a governing body. They provide leadership and management to teams of professionals within their particular area. These officials develop and manage the work programme and staff of units, divisions or policy areas. They establish and manage budgets, control expenditures and ensure the efficient use of resources. They monitor and evaluate performance of the different professional teams.
D4 Managers (part of ISCO-08 121) are just below D3. They formulate and administer policy advice, and strategic and financial planning. They establish and direct operational and administrative procedures, and provide advice to senior managers. They control selection, training and performance of staff; prepare budgets and oversee financial operations, control expenditures and ensure the efficient use of resources. They provide leadership to specific professional teams within a unit.
D5 Managers (optional) (part of ISCO-08 1211, 1212, and 1213) are just below D4. They may be senior professionals whose main responsibility is to lead the execution of the work programme and supervise the work of other professionals and young professionals.
D6 Managers (optional) (part of ISCO-08 1211, 1212, and 1213) may be professionals whose main responsibility is to lead the execution of the work programme and supervise the work of other professionals or young professionals.

Table F.1. **Classification and definition of occupations** *(cont.)*

Professionals
Senior Economists / Policy Analysts (part of ISCO-08 242 and 2422) do not have managerial responsibilities (beyond managing 3 staff maximum), and are above the ranks of junior analysts and administrative/secretarial staff. They are usually required to have a university degree. They have some leadership responsibilities over a field of work or various projects, develop and analyse policies guiding the design, implementation and modification of government operations and programmes. These professionals review existing policies and legislation in order to identify anomalies and out-of-day provisions. They analyse and formulate policy options, prepare briefing papers and recommendations for policy changes. Moreover, they assess the impact, financial implications and political and administrative feasibility of public policies. Staffs in this group have the possibility of becoming a manager through career progression. Their areas of expertise may vary from law, economics, politics, public administration, international relations, to engineering, environment, pedagogy, health economics etc. Senior policy analysts/economists have at least 5 years of professional experience.
Junior economists/policy analysts (part of ISCO-08 242 and 2422) are above the ranks of administrative/secretarial staff. They are usually required to have a university degree. They have no leadership responsibilities. They develop and analyse policies guiding the design, implementation and modification of government operations and programmes. These professionals review existing policies and legislation in order to identify anomalies and out-of-day provisions. They analyse and formulate policy options, prepare briefing papers and recommendations for policy changes. Moreover, they assess the impact, financial implications and political and administrative feasibility of public policies. Their areas of expertise may vary from law, economics, politics, public administration, international relations, to engineering, environment, pedagogy, health economics etc. Junior policy analysts/economists have less than 5 years of professional experience.
Secretarial positions
Secretaries (general office clerks) (part of ISCO-08 411 and 4110) are generally not required to have a university degree although many do. They perform a wide range of clerical and administrative tasks in connection with money-handling operations, travel arrangements, requests for information, and appointments. record, prepare, sort, classify and fill information; sort, open and send mail; prepare reports and correspondence; record issue of equipment to staff; respond to telephone or electronic enquiries or forwarding to appropriate person; check figures, prepare invoices and record details of financial transactions made; transcribe information onto computers, and proofread and correct copy. Some assist in the preparation of budgets, monitoring of expenditures, drafting of contracts and purchasing or acquisition orders. The most senior that supervise the work of clerical support workers are excluded from this category.

ANNEX G

Additional figures accessible online

G.1. Chapter 3. Satisfaction with public services

G.1.1	Demographic values for public services satisfaction by gender, age and level of education, 2021

StatLink https://stat.link/hcmuso

G.2. Chapter 5. Regulatory governance

G.2.1	Stakeholder engagement during policy design by country, 2021

StatLink https://stat.link/ujkahn

G.3. Chapter 6. Budgeting practices

G.3.1	Legal basis for green budgeting, 2021 and 2022
G.3.2	Accountability and transparency arrangements for green budgeting, 2022
G.3.3	Enabling environment for green budgeting, 2022
G.3.4	OECD Gender Budgeting Index: building block on institutional and strategic arrangements, 2022
G.3.5	OECD Gender Budgeting Index: Building block on impact, 2022

StatLink https://stat.link/jdli4n

G.4. Chapter 7. Managing public procurement

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StatLink https://stat.link/pfwy8e

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StatLink https://stat.link/n6kubm

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StatLink https://stat.link/abjphu

ANNEX H

Members of the Government at a Glance Steering Group

The Government at a Glance Steering Group is an informal group of the OECD Public Governance Committee. Participation is open to all member countries. The Steering Group, which was established since the first edition of Government at a Glance (published in 2009), meets regularly to advise on the publication and more generally on public governance statistics and data.

Country	Name	Title/position	Institution/Ministry
Austria	Michael Kallinger	Head of Unit for Innovative Administrative Development	Federal Chancellery, Public Service and Innovative Administrative Development
Belgium	Florence Polet	Attaché	Federal Public Service Policy and Support
Canada	Brett Thompson	Director of Strategic Planning	Treasury Board
Chile	Pablo Torres	Counsellor	Permanent Mission of Chile to the OECD
Croatia	Tomislav Micetic	Head of Service for Quality Management	Ministry of Justice and Public Administration
Estonia	Laura Vilup	Advisor in sustainable development and EU fund projects	Government Office
European Union	Mina Shoylekova	Head of sector	European Commission
Finland	Katju Holkeri	Head of Government Policy Unit	Ministry of Finance
France	Francois Gautier	Counsellor on Budget and Public Governance	Permanent Delegation of France to the OECD
Greece	Christos Kokkalas	Head of Innovation Unit	Ministry of Interior
Ireland	Nora O'donnell	Customer Services Initiatives Manager	Department of Public Expenditure and Reform
Italy	Angela Guerrieri	Head of European Programming and Controls Service	Department for Public Administration
Korea	Emily Seonwoo Park	Deputy Director	Ministry of Interior and Safety
Latvia	Inese Kušķe	Cross-sectoral Coordinator	State Chancellery, Department For Public Administration Policy
Lithuania	Darius Zerioulus	Advisor to the Prime Minister of Lithuania	Prime Minister Office
Luxembourg	Astrid Spreitzer	Counsellor	Ministry of Public Administration
Mexico	Adrian Franco Barrios	Vice president	National Institute for Statistics and Geography
Netherlands	Frans van Dongen	Program Manager	Ministry of Interior and Kingdom Relations
Norway	John Nonseid	Senior Advisor	Agency for Public Management and eGovernment/ Ministry of Government Administration and Reform
	Mette Unheind Sandstadd	Senior Consultant	Agency for Public and Financial Management
Romania	Monica Giurgiu	Coordinator	General Secretariat of the Government
Slovenia	Polona Kobal	Adviser on International Relations	Ministry of Public Administration
Sweden	Max Dahlbäck	Analyst	Agency for Public Management
United States	Amira Boland	Lead Federal Customer Experience	Office of Management and Budget

Government at a Glance 2023

The 2023 edition of *Government at a Glance* provides a comprehensive overview of public governance and public administration practices in OECD Member and partner countries. It includes indicators on trust in public institutions and satisfaction with public services, as well as evidence on good governance practices in areas such as the policy cycle, budgeting, public procurement, infrastructure planning and delivery, regulatory governance, digital government and open government data. Finally, it provides information on what resources public institutions use and how they are managed, including public finances, public employment, and human resources management. *Government at a Glance* allows for cross-country comparisons and helps identify trends, best practices, and areas for improvement in the public sector.

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