Government at a Glance 2021

OECD

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Foreword

This seventh edition of Government at a Glance *arrives more than a year into a global health emergency that has turned into an economic and social crisis. Governments have been central to the response to and management of the COVID-19 pandemic. They have implemented measures -- often unprecedented and impressive in scale and speed -- to support people and businesses and mitigate the impact of the crisis. This publication provides internationally comparable evidence on the public sector's performance prior to the COVID-19 outbreak, as well as a special focus on changes made to government processes to respond to the pandemic. It finds great variation in countries' preparedness for the crisis, as well as in their capacity to adjust public governance processes to address change. This report begins the work of drawing lessons for governments to build resilience and improve the management of future crises.*

Government at a Glance, *published every two years, is a flagship of OECD work on public governance. It presents the most up-to-date internationally comparable data on how public administrations function and perform in OECD countries, accession countries, and other major economies. These data can be used to benchmark governments' performance, track national and international developments over time, and monitor governments' progress in public sector reform.*

The 2021 edition includes indicators on public finances and public employment, the latter with a special focus on the representation of different gender and age groups in public administrations and the political sphere. Data on government processes include budgeting practices, strategic human resources management, regulatory policy, public procurement, digital government, and responsibilities of centres of government including on public communication. New process indicators for this edition cover public sector integrity, infrastructure governance, and open government. Indicators of government results include trust in public institutions, political efficacy, inequality reduction, and measures of access to, responsiveness, quality of, and citizen satisfaction with education, health and justice sectors.

Government at a Glance 2021 *is the work of the OECD Directorate for Public Governance, under the overall leadership of Elsa Pilichowski, Director. The publication was prepared by the OECD Governance Indicators and Performance Evaluation Division, under the direction of Monica Brezzi, Head of the Division and coordinated by Santiago González.* Government at a Glance 2021 *was drafted by Barbara Baredes, Conor Das-Doyle, Santiago González, Alessandro Lupi and Mariana Prats. Guillaume Guinard provided research assistance. Major contributions were received from Moritz Ader, Miriam Allam, Daniel Gerson, Pietro Gagliardi, Pinar Guven, Meeta Tarani, François Villeneuve (Chapter 3: Public Employment); Carlotta Alfonsi, Karine Badr, Emilie Cazenave, Sara Fyson, Johannes Klein, Craig Matasick, Paulina Lopez Ramos, Marion Tolboom (Chapter 4: Institutions); Andrew Blazey, Scott Cameron, Flavia Gianini, Anne Keller, Axel Mathot, Sherie Nicol, Andrew Park (Chapter 5: Budgeting practices and procedures); Daniel Gerson, François Villeneuve (Chapter 6: Human resources management); Christiane Arndt-Bascle, Paul Davidson, Alexis Durand, Franz Karg, Marie-Gabrielle de Liedekerke, Renny Reyes, Estera Szakadatova, Anna Pietikainen, Vincent Van Langen (Chapter 7: Regulatory government); Erika Bozzay, Matthieu Cahen, Costanza Caputi, Kenza Kachani, Paulo Magina, Masayuki Omote, Gabriela Villa Aguayo (Chapter 8: Public Procurement);*

Alessandro Bellantoni, Emma Cantera, David Goessmann, Carla Musi, Benedict Stefani, Marie Whelan (Chapter 9: Open government); Felipe González-Zapata, Mariane Piccinin Barbieri, Barbara Ubaldi (Chapter 10: Digital government); Mona Ahmed, Mathieu Cahen, Tenzin Dekyi, Jack Radisch, Ana María Ruiz, Lorena Cruz Serrano, Adrien Valentin (Chapter 11: Governance of infrastructure); Jesper Johnson, Pauline Bertrand (Chapter 12: Public sector integrity); Gamze Igrioglu and Benjamin Welby (Chapter 14: Serving citizens). Chapter 1 received contributions from many of the above on the specific subject matters noted, and also from Richard Alcorn, Charles Baubion, Julio Bacio-Terracino, Janos Bertok, Frederic Boehm, Gillian Dorner, Paul Gallagher, Donal Mulligan, Jacob Arturo Rivera Perez, Ivan Stola, Tatyana Teplova, Joao Vasconcelos and Gregor Virant. Government at a Glance was prepared for publication by Meral Gedik, Sally Hinchcliffe, and Dacil Kurweg. It benefitted from editorial assistance from Andrea Uhrhammer. Valuable comments to Chapter 14 were received from Gaetan Lafortune and Chris James of the OECD Directorate for Employment, Labour and Social Affairs; Corinne Heckman, Daniel Sanchez Serra, Etienne Albiser, Eric Charbonnier and Miyako Ikeda of the OECD Directorate of Education and Skills; Carlotta Balestra, Michael Förster and Maxime Ladaique from the OECD Centre for Well-Being, Inclusion, Sustainability and Equal Opportunity.

The members of the OECD Public Governance Committee and the Government at a Glance Steering Group (list in Annex H) provided substantial comments to the drafts of the publication. 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 Public Employment and Management Working Party, 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) Officials network, the High Level Risk Forum, the Working Party on Open Government, and the Working Party of Leading Practitioners on Public Procurement.*

This report was approved by the Public Governance Committee via written procedure on 4 June 2021 and prepared for publication by the OECD Secretariat.

Editorial: Fit for the Future: Learning from the COVID-19 crisis to reinforce democratic governance

The COVID-19 pandemic, the biggest shock to many OECD countries since World War II, has tested the ability of governments to respond to a crisis at speed and scale. For the most part, governments have done a remarkable job in unprecedented circumstances to protect lives and provide financial support to businesses and citizens. From lockdowns to a slow loosening of restrictions as vaccinations gather pace, one of the biggest lessons of the crisis is that governments will need to respond to future crises at speed and scale while safeguarding trust and transparency – and, indeed, the very underpinnings of democracy.

The pandemic has underscored how critical trust and transparency are to maintaining public health amid drastic restrictions in freedom of movement. Trust and transparency are crucial for people to understand and comply with extraordinary measures in extraordinary times. They are also key to a society's capacity to absorb and bounce back from shocks.

Emerging evidence, reported in the Focus chapter, suggests many governments have operated with lower standards of consultation, transparency, oversight, or control in their processes during COVID-19. Governments have introduced thousands of emergency regulations, often on a fast track. Some alleviation of standards is inevitable in an emergency but must be limited in scope and time to avoid damaging citizen perceptions of the competence, openness, transparency, and fairness of government. *Government at a Glance 2021* reveals not only how governments responded to the enormous challenge of the COVID-19 crisis, but also provides recommendations for strengthening the resilience of governments for the challenges of the future, including climate change. 83% of recovery funds announced so far do not consider environmental dimensions or have environmentally negative effects. Green governance, or the 'how to' reach environmental goals, needs to be stepped up significantly.

Governments must learn to spend better. OECD countries are providing large amounts of support to citizens and businesses during this crisis, roughly 16.4% of GDP in additional spending or foregone revenues, and up to 10.5% of GDP via other measures. Eventually, governments are likely to face spending constraints. They will need to review public spending to increase efficiency, ensure that spending priorities match people's needs, and improve the quality of public services. Governments must also ensure that they understand the different effects of policy on different groups in society, and work visibly to ensure that no-one is "left behind".

Three areas, in particular, are crucial for boosting trust and transparency and safeguarding democracy. First, it is vital to tackle misinformation. Even with a boost in trust in government sparked by the pandemic in 2020, only 51% of people in OECD countries trusted their government, and a number of people and groups are dissociating themselves from traditional democratic processes. This has been fuelled by mis- and dis-information.

In 2019, only 11 of 27 Centres of Government in OECD countries had policies or frameworks to guide their responses to mis- and dis-information.

Second, it is crucial to enhance representation and participation in a fair and transparent manner. Governments must seek to promote inclusion and diversity, including in the public workforce, and support the representation of young people in public life and policy consultation. Governments must improve fairness and inclusion in how they consult citizens and make policies, and level the playing field in lobbying. Less than half of countries have transparency requirements covering most of the actors that regularly engage in lobbying.

Third, strengthening governance must be prioritised to tackle global challenges while harnessing the potential of new technologies. In 2018, only half of OECD countries had a specific government institution tasked with identifying novel, unforeseen or complex crises. Most countries for which information is available did not have a single exhaustive data inventory for the central government, and around a fifth relied on *ad hoc* agreements for data sharing between public agencies. Governments were often quick to correct course, by rapidly developing new systems and responses. However, a lack of planning and foresight remains a concern. To be fit for the future, and secure the foundations of democracy, governments must be ready to act at speed and scale while safeguarding trust and transparency.

Elsa Pilichowski

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Reader's guide

In order to accurately interpret the data included in *Government at a Glance 2021*, 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. A glossary of the main definitions of the publication can be found in the final chapter of the book.

Definition of government

Data on public finances are based on the definition of the "general government" sector 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 and publicly owned resident enterprises and companies. Finally, data on public management practices and processes refer to practices and processes at the central level of government only.

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 11 May 2021. The data on public employment were extracted from the *OECD National Accounts Statistics* (database) and the *ILOSTAT* (database) on 12 April 2021.

Country coverage

Government at a Glance 2021 includes data for all 37 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 non-member countries, such as Costa Rica, and the Russian Federation[1] (accession countries to the OECD) as well as other OECD key partners (i.e. Brazil, People's Republic of China, India, Indonesia and South Africa) and Romania 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	Norway	NOR
Austria	AUT	Poland	POL
Belgium	BEL	Portugal	PRT
Canada	CAN	Slovak Republic	SVK
Chile	CHL	Slovenia	SVN
Colombia	COL	Spain	ESP
Czech Republic	CZE	Sweden	SWE
Denmark	DNK	Switzerland	CHE
Estonia	EST	Turkey	TUR
Finland	FIN	United Kingdom	GBR
France	FRA	United States	USA
Germany	DEU		
Greece	GRC		
Hungary	HUN	**OECD accession countries***	
Iceland	ISL	Costa Rica	CRI
Ireland	IRL	Russian Federation (hereafter "Russia")	RUS
Israel	ISR		
Italy	ITA	**OECD key partners**	
Japan	JPN	Brazil	BRA
Korea	KOR	People's Republic of China (hereafter "China")	CHN
Latvia	LVA	India	IND
Lithuania	LTU	Indonesia	IDN
Luxembourg	LUX	South Africa	ZAF
Mexico	MEX		
Netherlands	NLD	**Other non OECD countries**	
New Zealand	NZL	Romania	ROU

* *Note*: With regard to the Russian Federation, see Note 1 above.

OECD averages and totals

Costa Rica was not an OECD member at the time of preparation of this publication. Accordingly, Costa Rica does not appear in the list of OECD members and is not included in the zone aggregates.

Averages

In figures, the OECD average is presented as the 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 which 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 they were not members of the OECD at that time.

In the case of *National Accounts* data, averages refer to the weighted average, unless otherwise indicated. The OECD average is calculated through 2019 as not all OECD countries have data available for 2020. However, together with the OECD average, this edition includes also the OECD-EU average. The OECD-EU group comprises countries which are members of both the OECD and the European Union in 2020 (namely Austria, Belgium, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Lithuania, Latvia, Luxembourg, the Netherlands, Poland, Portugal, the Slovak Republic, Slovenia, Spain and Sweden; the United Kingdom is not part of this composition as it is no longer 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 which 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 2021* also offers access to StatLinks, a service that allows readers to download the featured data's corresponding Excel files. StatLinks is 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: *https://www.oecd.org/gov/govataglance.htm*:

- 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
- country contextual notes that present contextual information describing some key features of the political and administrative structures for each member country.

Per capita indicators

Some indicators (e.g. 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 2012 may be revised in December each year in order to incorporate revisions in National Accounts' deflators. 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 indexes in narrowly defined areas related to digital government, human resources management and key features (i.e. independence and accountability) of sectoral regulators. 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)[2].

Details about the methodology used to construct the digital government and human resource management composite indicators are available in Annexes E and F. 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 can be found in Casullo, Durand and Cavassini (2019).[3]

Signs and acronyms

Sign/acronym	Meaning
. .	Missing values
x	Not applicable (unless otherwise stated)
ADR	Alternative dispute resolution
ATI	Access to information
CBA	Cost Benefit Analysis
CEPEJ	Council of Europe European Commission for the Efficiency of Justice
CIO	Chief information officer
COFOG	Classification of the Functions of Government
CoG	Centre of government
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
IFI	Independent fiscal institutions
ILO	International Labour Organization
IMF	International Monetary Fund
IODC	International Open Data Charter
ISO	International Organization for Standardization
IT	Information technology
OCSC	Office of the Civil Service Commission
OGD	Open government data
PBOs	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
RBC	Responsible business conduct
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

Notes

1. With regard to the Russian Federation, on 12 March 2014 the OECD Council "postponed activities related to the OECD accession process for the Russian Federation for the time being". For more information, see *http://www.oecd.org/newsroom/statement-by-the-oecd-regarding-the-status-of-the-accession-process-with-russia-and-co-operation-with-ukraine.htm*
2. Nardo M, Saisana M, Saltelli A, Tarantola S, Hoffmann A, and Giovannini E. (2008) *Handbook on Constructing Composite Indicators: Methodology and User Guide*. OECD publishing, Paris.
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*.

Executive Summary: Key facts and data

The COVID-19 pandemic has highlighted the role of public governance but has also acutely tested it. Governments had to act swiftly and adapt processes and resources to keep societies and economies afloat. While countries have generally responded to the crisis at scale and speed, not all have adjusted their public governance processes to the same degree. In some cases, transparency and public trust may have been affected. Governments must use the lessons of the crisis to become fit to meet tomorrow's public governance challenges.

Public finances are under pressure from COVID-19 and government responses

- General government expenditures averaged 40.8% of GDP across OECD members in 2019. In 2020, expenditures rose as a share of GDP in all 26 countries for which data are available, due to COVID-19 responses and falling GDP.
- Support to households and businesses in OECD countries via additional spending and foregone revenue is around 16.4% of GDP, and support via equity injections, loans, asset purchases or debt assumptions, and contingent liabilities of up to 10.5% of GDP.
- General government revenues averaged 37.7% of GDP across the OECD in 2019. Among 26 countries for which data are available, 24 saw real per capita revenues fall in 2020, as economies shrank. In 13 countries, revenues per capita fell by more than 5%.
- Deficits have risen as a result of COVID-19 responses. The fiscal deficit in OECD countries averaged 3.2% of GDP in 2019. All 26 countries for which data are available for 2020 had higher budget deficits than in 2019; 18 had deficits of more than 5% of GDP.
- Debt has also risen: among 22 EU and OECD member countries, general government gross debt rose from 97% of GDP in 2019 to 115% in 2020.

Most governments were unprepared for the scale of the crisis but quick to correct course

- In early 2020, more than 60% of civil servants worked remotely in most OECD countries for which information is available. About half of OECD countries for which information is available created or transformed the definition of "essential positions" that cannot work remotely.
- In response to the pandemic, 20 of 26 (77%) of centres of government (CoGs) in OECD countries reported supporting increased cross-ministerial co-ordination activities. While 20 of 26 governments (77%) consulted stakeholders on their strategies to respond to the COVID-19 crisis, only 9 of 26 (35%) actively involved stakeholders in designing these strategies.
- 33 of 35 (94%) independent fiscal institutions in OECD countries published rapid analysis of the economic and budgetary impact of the COVID-19 pandemic.

- Before the crisis, around one-third of OECD members allowed some form of exception to regulatory impact assessments in emergency responses. During the crisis, governments and regulators had to fast-track many new regulations, cutting back impact assessments and stakeholder consultation.
- Before the crisis 19 of 32 OECD countries (59%) did not have business intelligence among their e-procurement functions (i.e. information on public entities' procurement needs, contracted suppliers or available products). Governments had to innovate rapidly to address information deficits and manage supply constraints.

The short-term boost in trust in government sparked by the pandemic may not last

- In 2020, 51% of people in OECD countries trusted their government, up 6.3 percentage points (p.p) from 2007 and 6 p.p. from 2019. This could mean that people rallied behind their institutions early in the crisis. In 18 of the 22 OECD countries with available information, average trust levels decreased between April/May and June/July 2020, indicating that this effect may fade quickly.
- Trust varies across institutions: on average, 72% of the population trust the police, 49% trust the civil service, 37% trust the government and about one-third trust national parliaments.
- In 2018, in OECD countries for which data is available, less than half of the population (40%) believed the political system in their countries allowed people like them to have a say in what the government does.

Fine-tuning consultation and engagement practices could improve transparency and trust in public institutions

- In 2020, 27 of 32 (85%) of OECD countries had government-wide participation portals, where all central/federal ministries publish consultation and engagement opportunities. 38% of OECD countries had several portals, and 47% had a single portal.
- The use of virtual consultations in regulatory policy-making has increased since 2017; from 35% to 62% of OECD countries for early-stage consultations, and from 41% to 57% of countries for late-stage consultations.
- In 92% of OECD countries, policy makers consult early on draft regulations with selected groups; open consultations are more common only at a late stage.
- In 2020, 20 of 24 (87%) of OECD countries had a strategy to mitigate public integrity risks, particularly corruption. However, only 8 of 20 (40%) of integrity strategies underwent inter-governmental and public consultation. Less than half of countries have transparency requirements covering most of the actors that regularly engage in lobbying.

Public employment and politics are becoming more diverse, but could be improved

- In 2019, women held only 37% of public sector senior management positions on average in OECD countries.
- Participation of women in politics has increased but is still far from parity. On average across OECD countries, 32% of the seats in the lower/single house of parliaments were held by women in 2021, compared to 26% a decade ago. Likewise, the share of women ministers increased from 28% in 2017 to 34% in 2021.

- Countries are setting diversity targets within their administrations. In 2020, targets were used by 24 of 33 OECD countries (73%), to employ people with disabilities (vs. 37% in 2016). Only 14 of 33 of OECD countries (42%) have targets for gender balance (vs. 29% in 2016).
- People aged 20-39 represent 34% of voting-age populations across OECD countries, but the percentage of young members of parliaments was 22% in 2020. The under-representation of young people in public life may deepen the generational divide.

Public governance processes could help promote environmental and social goals

- All OECD countries have a framework to support environmental objectives in public procurement. Some have similar frameworks to support human rights (70%), gender equality (41%) or minority issues (48%).
- In 2020, only 14 of 35 surveyed OECD countries (40%) reported green budgeting efforts. Among them, most used *ex ante* or *ex post* environmental impact assessments (12 of 14, 86%) and environmental cost-benefit analysis (10 of 14, 71%).
- 22 of 30 OECD countries (73%) have aligned long-term infrastructure plans with sustainability objectives, and 17 of 30 (57%) have adapted existing infrastructure to improve environmental performance.

Chapter 1

Focus - Fit for the future: Strengthening government resilience

Introduction

OECD governments have responded at unprecedented scale and speed to the COVID-19 crisis. The pandemic, and the economic and social effects of the measures to contain it, are the largest shock most OECD countries have experienced since the Second World War. They have been required to implement policy and operational responses of unprecedented scale, speed and scope to contain the pandemic. Health care systems have had to be extensively scaled up to treat the ill. Efforts to slow transmission rates have required restrictions on civic freedoms and economic activities on a scale rarely seen in democratic states in peacetime. The restrictions on economic activity have generated major disruption to incomes and employment, requiring governments to provide massive fiscal support for citizens and businesses.

The response to the COVID-19 shock has been an exceptional test of government capabilities. Governments have been front and centre in keeping economies and societies afloat. They have had to make difficult policy decisions quickly, and develop new analysis and co-ordination mechanisms to enable this. They have implemented major surges in health, social protection and other areas, providing a test for budgeting, public employment, procurement, regulation, digital and infrastructure systems. They have devised new models of public communication to implement evolving public health measures. They have also had to instantly redesign large areas of their operations to work remotely. This has all had to be delivered while meeting expectations that the maximum levels of transparency, accountability, oversight and integrity possible should be maintained.

Economies and societies will continue to face substantial risks of major shocks even once COVID-19 recedes. Governments will need to be resilient enough to absorb these shocks and develop policies that strengthen societies' ability to face them. They will also need to rebuild their buffers. While many uncertainties remain about the future course of the pandemic, vaccines are expected to reduce the public health impacts of COVID-19 during 2021 and beyond (Cohen, 2021[1]). The OECD forecasts global gross domestic product (GDP) growth of 5.8% in 2021, with world output expected to exceed pre-pandemic levels before end-2021 (OECD, 2021[2]). Governments and societies will have the opportunity to begin recovering, restoring freedoms and rebuilding prosperity. However, the route out of the crisis may not be straightforward. The potential impacts of COVID-19 variants are not fully known. Even once COVID-19 itself is contained, its effects will have ramifications into the future including through additional public and private debt, lost education and schooling, lost businesses and jobs, and the unequal impact COVID-19 has had across society. Trust in government may be at risk of further damage from real or perceived mismanagement, reduced transparency in decision making and possible new corruption scandals.

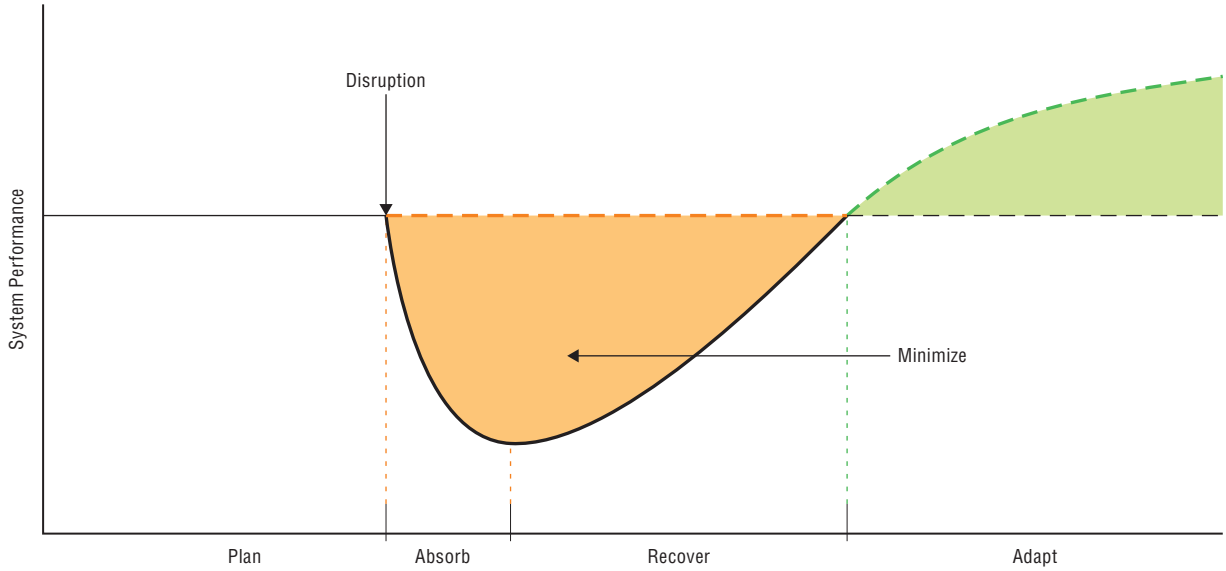
Moreover, societies will continue to face a range of other shocks even once COVID-19 is contained. In particular, the climate and biodiversity emergency presents urgent and potentially severe risks. Global warming is likely to reach 1.5°C between 2030 and 2052 if it continues to increase at the current rate (IPCC, 2018[3]). Climate-related risks to health, livelihoods, food security, water supplies, human security and economic growth are projected to increase if global warming reaches 1.5°C, and worsen with higher levels. Climate action

failure, extreme weather, biodiversity loss, natural disasters, human-made environmental disasters and water crises are all potential sources of shocks. Other risks such as debt and unemployment crises, cyber-security and IT failures, and terrorist attacks also remain. The after effects of COVID-19 may weaken government resilience to future shocks.

Outcomes will depend on how well governments drive recovery and safeguard against future shocks and stresses. Given the range of potential shocks, many paths into the future are possible from this juncture. Some paths would see a return to prosperity within vibrant democratic frameworks. Others could lead to stagnating growth, entrenched inequality and even risks to the sustainability of the democratic model of governance.

It is critical that governments proactively strengthen their resilience to future risks. They must also aim to have governance systems in place to devise and implement policies that strengthen societies' resilience in the COVID-19 and post-COVID environment. They must safeguard citizens, build and maintain public trust, and support the healthy functioning of democratic systems, which are key to societies' capacity to absorb shocks. The OECD's definition of resilience is "the capacity of systems to absorb a disturbance, recover from disruptions and adapt to changing conditions while retaining essentially the same function as prior to the disruptive shock" (OECD, 2019[4]), (OECD, 2014[5]). Figure 1.1 gives a graphical depiction of this concept of resilience, as a four-stage process, extending both before and after a disruption. The first stage is planning in advance of any disruption, in which strategies are sought to preserve a system's core function in the face of shocks, and threats to the system are sought. The second stage, during the disruption, is absorption, in which activities intended to minimise the scale and length of its impact are carried out. The third is recovery, which includes efforts to regain lost system function as quickly, cheaply and efficiently as possible. The fourth is adaptation, which involves learning from the absorption and recovery stages, and working to change how the system functions, in order to better deal with future threats (Linkov, Trump and Hynes, 2019[6]).

Figure 1.1. **Stages of resilience**



Source: Linkov, Trump and Hynes (2019[6]), *Resilience-based Strategies and Policies to Address Systemic Risks*, *www.oecd.org/naec/averting-systemic-collapse/SG-NAEC(2019)5_Resilience_strategies.pdf*.

This chapter applies the concept of resilience to government. Ideally, governments work by acquiring inputs (employees and funds, and also assets and infrastructure, and data and information[1]), and then combining and transforming these inputs through a set of processes (policy making, budgeting, regulation, procurement, human resource management, open and digital government, etc.) to produce public goods and services for citizens (health, education, security, efficient markets, etc). A resilient government is one which can face a wide range of disturbances that affect the availability of its inputs or the functioning of its processes, but can continue to deliver similar services and outcomes for citizens immediately after the disturbance, and then recover and adapt such that it minimises the impacts of future disturbances.[2] Resilience is likely to be a matter of degree, rather than a binary quality. Moreover, it may vary in the face of differing types of shocks, or for different areas of government.

This concept of government resilience matches the types of questions citizens naturally ask about their government. To understand it, consider a government which faces some shock, such as an earthquake or a recession. To assess their government's resilience, citizens might ask: does it have the people, funding, assets and knowledge to limit the suffering of citizens in the immediate aftermath? Does it have the processes in place to react quickly? If some functions and capabilities are degraded, can it find new ways to deliver? Does the government support recovery after the immediate crisis? Can the government adapt, by learning lessons and reacting better to future shocks and disasters?

Unfortunately, not all future threats can be fully foreseen and planned for. The world contains a range of complex, interconnected and interdependent systems (financial, environmental, governmental, etc.). Disturbances and changes in one system can quickly affect others through a variety of connections, both known and unexpected, in unforeseen ways. In some cases, such as COVID-19, small initial changes can have rapid, outsized effects. In the worst case, this combination of interconnectivity and unpredictability can lead to rapid, cascading, multiple failures (Hynes et al., 2020[7]). To manage in this complex, interconnected and risky world, governments must ensure they are as resilient as possible, and can safeguard citizen wellbeing and public trust in the face of future crises. Ultimately, resilience is thus key to supporting resilient societies and healthy democratic systems.

This chapter examines how governments have coped with the exceptional real-life stress test of COVID-19, and identifies key lessons on how they can improve their resilience. The overarching recommendation is that they must safeguard their ability to respond to crises at speed and scale, but do so without risking trust and transparency. Section 1.2 examines government resilience in OECD countries, using emerging evidence and information on how governments have absorbed the impact of COVID-19. OECD governments have drawn on reserves of funds, people, skills and infrastructure to scale up delivery in key sectors such as health and social protection. They have also innovated rapidly and adapted processes in policy making, procurement, regulation and communication to meet the needs of the crisis. However, they were imperfectly prepared. In some cases, innovation has resulted from a lack of advance planning or a need to fix suboptimal systems. Moreover, evidence suggests standards of transparency, consultation, oversight and/or control have been partially suspended to better support speed in many aspects of the COVID-19 response.

Building on this evidence, Section 1.3 presents a two-pillar agenda for strengthening government resilience as countries recover from the COVID-19 crisis and adapt for the future. The first pillar consists of internal reforms to government systems, to improve

governments' ability to mitigate future threats, and respond at scale and speed when needed. Key reform areas are optimising the use of recovery packages, building buffers into government operations, supporting anticipatory innovation and problem solving skills, and ensuring integrity and oversight. The second pillar consists of outward-looking reforms to support trust and transparency in government and better support the healthy functioning of democratic systems. Key reform areas are improving representation and interest aggregation, ensuring fairness and inclusion in policy making, and tackling mis- and disinformation. The chapter focuses on central government, that is, ministries and organisations with a national role and responsibilities. It does not cover parliaments and elected bodies, local government or the judiciary.

How governments absorbed the COVID-19 crisis

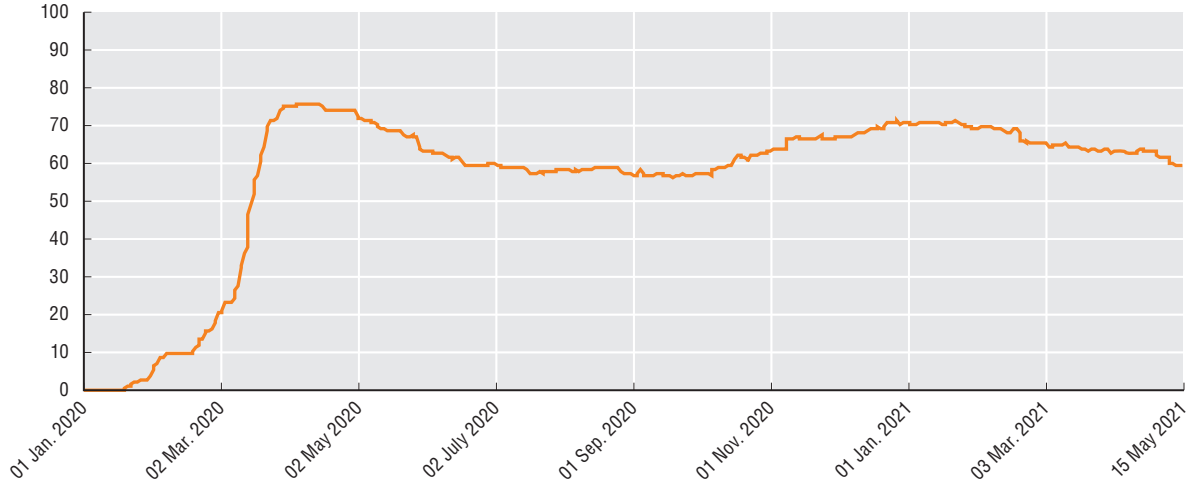
The COVID-19 crisis has been an extreme stress test of government resilience. This provides an opportunity for unusually direct insights into the resilience of different aspects of government. Although it is unclear which stage of the "plan-absorb-recover-adapt" cycle the pandemic has reached, it is likely that the worst impact of the "absorb" period is passing in many countries as vaccination progresses. This section therefore looks backward to examine emerging evidence on the "mitigate" and "absorb" aspects of government resilience to shocks, i.e. the extent to which governments, in the face of COVID-19 disruption, have demonstrated the ability to manage their inputs and alter their processes to minimise the scale and length of the shock.

OECD governments took unprecedented action in 2020 to help their citizens and economies to absorb the cascading impacts of the COVID-19 crisis. At the onset of the crisis, early modelling suggested that without measures to slow its transmission, the growth of the virus would quickly outstrip governments' ability to provide health care (Ferguson et al., 2020[8]; Rice et al., 2020[9]). To contain the spread of the virus, governments rapidly implemented "lockdowns" between February and April 2020 (Figure 1.2). These involved unprecedented peacetime restrictions on civil liberties, alongside previously unthinkable disruptions to economic life, including bans on public events and gatherings, closures of schools and workplaces, and broad stay-at-home orders. During March and April 2020, almost all OECD countries set up income support schemes for workers' whose places of employment were closed, as well as large-scale packages to support firms. Additional public health measures were put in place slightly more slowly. By June 2020, most OECD countries had contact tracing systems (Figure 1.3). There was some loosening of lockdown restrictions during the second and third quarters of 2020, but in many OECD countries, measures were scaled up again in the latter part of the year in response to rising infections. As of mid-May 2021, lockdown measures were somewhat less intense than during the initial months of the crisis, and slowly loosening. OECD governments were continuing to provide widespread economic support.

Delivering these responses has been highly challenging for governments. They have had to make choices fast, and then immediately deliver large, complex and novel policies and programmes, while maintaining as far as possible controls, transparency and accountability mechanisms. Moreover, these responses have had to be delivered in the face of major disruptions to normal government inputs and processes. Most visibly, this includes the closure of government offices and the need to redesign most aspects of government to work remotely.

Figure 1.2. **Average stringency of lockdown measures across OECD countries**

1 January 2020 – 15 May 2021, on a scale of 0-100



Note: The graph presents the population-weighted average of the COVID-19 Government Response Stringency Index for OECD countries based on data from the Oxford COVID-19 Government Response Tracker (*https://covidtracker.bsg.ox.ac.uk/*). This collates publicly available information on government responses (school closures, workplace closures, cancellations of public events, restrictions on gatherings, public transport closures, restrictions on movement), recorded on an ordinal scale. The COVID-19 Government Response Stringency Index is a simple additive score of relevant indicators measured on an ordinal scale, rescaled to range from 0 to 100. This measure is for comparative purposes only, and should not be interpreted as a rating of the appropriateness or effectiveness of a country's response.

Source: OECD calculations from Hale et al. (2020[10]), *Oxford COVID-19 Government Response Tracker*, *www.bsg.ox.ac.uk/research/research-projects/covid-19-government-response-tracker#data*; Population data from World Bank (2020[11]), *World Development Indicators: Population, total*, *https://data.worldbank.org/indicator/SP.POP.TOTL*.

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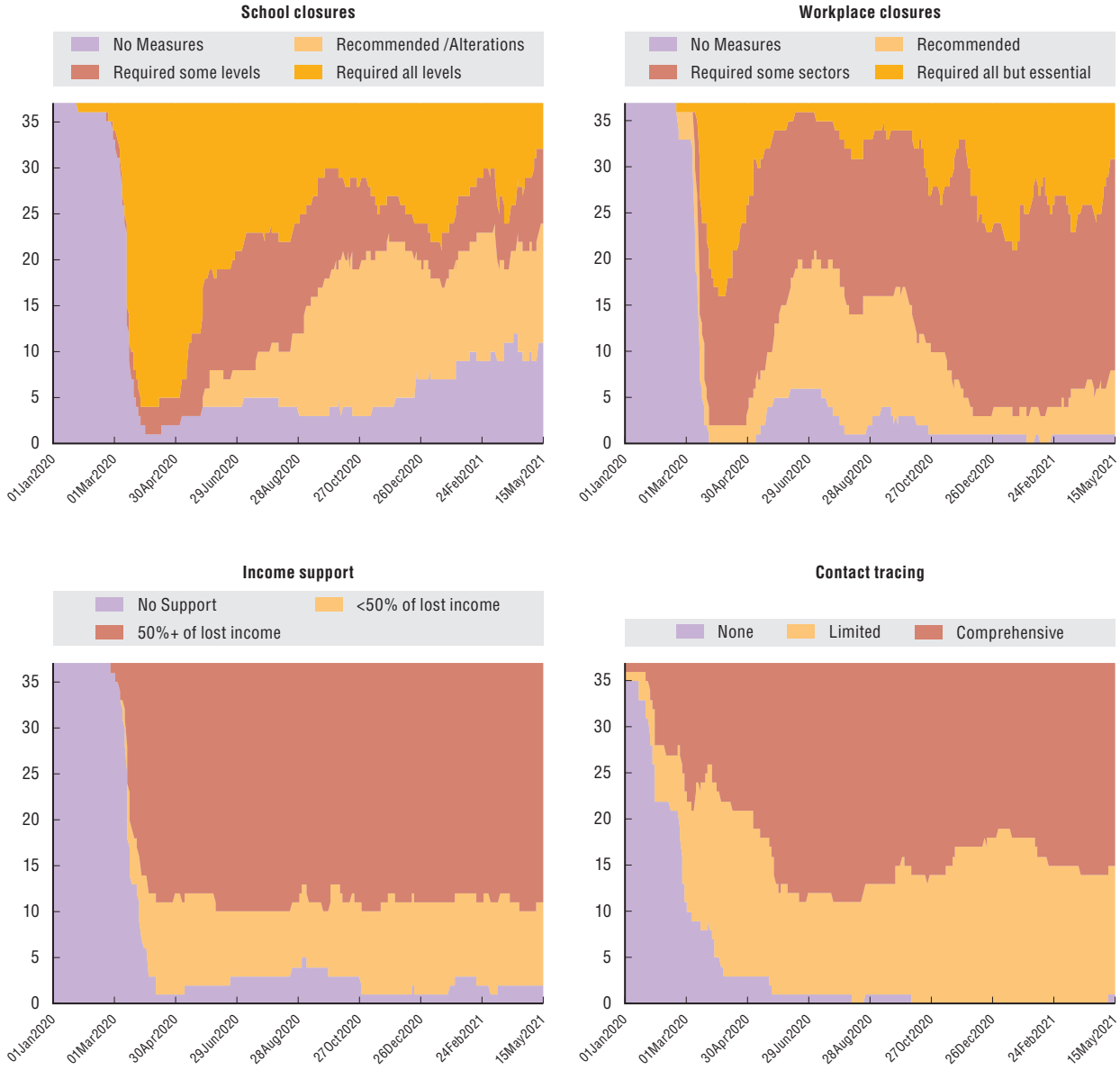
This section examines how well different government systems have absorbed the impacts of COVID-19. By examining emerging evidence, data and observation on how COVID-19 responses were delivered, it draws initial conclusions about areas of resilience or vulnerability. COVID-19 has affected various OECD countries differently, and each government has adopted its own approach. The analysis and findings that follow will not be true for every government, and the areas of resilience or vulnerability experienced will differ in each country. Nonetheless, trends and common experiences are readily apparent when governments' responses during COVID-19 are compared. Two trends in particular emerge repeatedly across the evidence on how governments have absorbed the shock of COVID-19.

First, governments have emphasised speed and scale in their COVID-19 response, but often in ways that pose risks for transparency and trust to an unnecessary extent. This is largely due to imperfect preparedness. Governments have drawn down on their buffers and spare capacity to provide the raw inputs for their COVID-19 response (e.g. infrastructure, workforces, public funds). Government processes have then turned these inputs into the outputs citizens needed, often at speed and at scale. In each of the processes examined below, the evidence presented indicates that governments have innovated and altered their processes rapidly to deliver COVID-19 responses. However, in several cases, the evidence also indicates that governments have lowered standards of consultation, transparency, oversight and/or control to improve the scale and speed of their response. This is apparent to differing degrees in policy making, regulation, public finances and procurement. Some alleviation of standards is inevitable during emergency responses, but it is not always clear that these have been limited in time and scope and planned in advance, nor that governments have clear plans for a return to normal, and/or are applying *ex post* controls such as evaluations.

This increases the risks of suboptimal government delivery, either because of poor design or because of capture by special interests or corruption. This may create risks for public trust in government.

Figure 1.3. **Prevalence of key COVID-19 policy responses among OECD countries**

Number of OECD countries with each policy response in place, 1 January 2020 – 15 May 2021



Note: OECD generated presentation of data from the Oxford COVID-19 Government Response Tracker (*https://covidtracker.bsg.ox.ac.uk/*). The variables used from this dataset are C1 School Closing, C2 Workplace Closing, E1 Income Support and H3 Contact Tracing. Each of these are simple categorical variables. Each graph is for one of these variables, showing a count of the number of OECD countries within each category of policy response over time.

Source: OECD calculations from Hale et al. (2020[10]), Oxford COVID-19 Government Response Tracker, *https://www.bsg.ox.ac.uk/research/research-projects/covid-19-government-response-tracker#data*.

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Fundamentally, the scale of innovation and change required to respond to COVID-19 partly reflects imperfect preparedness. Crises cannot be perfectly predicted, and the ability to innovate and manage them as they occur is essential to government resilience. Some

aspects of the response discussed below highlight the flexibility, agility and capability of public agencies in the face of a crisis which could not be perfectly foreseen. However, some of the innovations used to tackle COVID-19 could have been undertaken in advance. As described below, several of the issues which have hampered the COVID-19 response, such as the need for better integration of digital systems or improved procurement information, were apparent in many countries before the crisis. In many cases, the wider value of some of the innovations forced on governments during COVID-19 is shown by their plans to retain them in the longer term. Moreover, the evidence below also suggests that many governments had not planned how to manage consultation, transparency, oversight and/or control processes in an emergency. This has forced rapid and sometimes ad hoc changes, creating risks for integrity, transparency and trust. Observational evidence suggests that where innovation and preparation was more advanced prior to COVID-19, such as in public communication and remote working infrastructure, the shock has been less disruptive.

Second, digital technology has been critical to supporting resilience across a wide range of government inputs and processes. Digital technology means that flows of information between government staff, and between government and citizens, do not need to take place in a specific physical location. In the context of COVID-19, this minimises the need for government operations to take place in-person, helping to suppress virus transmission. The following section repeatedly notes governments replacing physical infrastructure with digital technology in their processes. More broadly, digital technology improves resilience by increasing the speed and breadth of information flows, increasing inputs of information in government processes. There are several examples below of governments using digital technology to improve the information used in a wide range of processes and aspects of their response. Emerging evidence suggests governments with better digital systems pre-crisis have often performed better in absorbing the impact of COVID-19.

Crisis preparedness

Crisis management is a core government competence. Nearly all OECD countries have experienced one or more major crises within the past 20 years for which they were not adequately prepared (OECD, 2018[12]). Several entailed previously unidentified risks (e.g. the 2010 North Atlantic volcanic ash cloud), or risks of unexpected magnitude or complexity (e.g. the 2011 Great East Japan Earthquake). Similar to the COVID-19 crisis, these events led to decisions to suspend critical infrastructure networks, in ways that disrupted economic activity and affected entire populations. The OECD has issued formal recommendations on how governments should adapt the institutional organisation of crisis management (OECD, 2014[13]).

At the outset of the pandemic, few OECD countries had structured capacity to gather scientific advice about how governments should adapt to novel and complex crises. Some of the systems created since have raised transparency concerns. In 2018, only half of OECD countries had a specific government department or institution whose purpose was to identify novel, unforeseen or complex crises (OECD, 2018[12]). Most countries where data are available lacked formal institutional mechanisms at the national level that were clearly identified as having a role in co-ordinating scientific advice during crises. Very few countries had permanently established scientific advisory mechanisms, that is, standing bodies responsible for the provision and co-ordination of scientific advice in the management of novel and unexpected crises. One such body is the UK Scientific Advisory Group for Emergencies

(SAGE), which is responsible for ensuring that timely and co-ordinated scientific advice is made available to decision makers. Who participates in SAGE meetings depends on the nature of the emergency and the issues under consideration, and members are drawn from government, academia and the private sector (UK Government, 2021[14]). A further issue is that, for pandemics in particular, the scientific data and information needed as evidence to support rapid decision making was frequently distributed across different public agencies and academic institutions. There were different sources of competing advice, and the protocols and frameworks that existed were not necessarily easily applied across all these sources (OECD, 2018[15]).

Ensuring the transparency and integrity of special advisory bodies, such as scientific committees, is important for their effectiveness and public trust (OECD, 2014[16]). In the aftermath of the 2009 "swine flu" pandemic, scientific and public debates prompted accusations of commercial bias and that governments and public institutions were misled into stockpiling a drug with limited efficacy. An analysis of how the Danish group of experts developed the plan to tackle the pandemic showed that they were lobbied by the industry both directly and more subtly (Vilhelmsson and Mulinari, 2017[17]). Recent investigations have shown that following reports of shortages in the United Kingdom, Spain, the Netherlands and Poland, the EU purchased and stockpiled a significant quantity of antivirals, despite limited evidence of their effectiveness (Hordijk and Patnaik, 2020[18]).

Many countries put in place ad hoc institutional arrangements to gather scientific advice as the COVID-19 crisis developed. A key challenge has been ensuring proper governance of evidence, such that policy makers and the public can trust that government is receiving clear, neutral and credible scientific advice. From the available information, a minority of countries have set up formal processes (such as peer reviews) to ensure the quality, authority and legitimacy of scientific advice. Many countries have controlled the nature and quantity of information released to the public, with legitimate questions being asked on the governance of the scientific advice leading to decisions, and the transparency of this decision-making system. Members of scientific task forces have seldom been obliged to disclose potential conflicts of interest (OECD, 2021[19]). It is likely that issues with the governance of scientific advice stem at least partly from gaps in crisis preparedness.

Governments which locked in lessons from similar crises, and drew on partnerships, have often been more resilient to COVID-19. The OECD Recommendation on the Governance of Critical Risks (OECD, 2014[13]) recommends that countries develop the institutional capacity to learn from past crises, enact reforms to address the operational gaps they revealed and test to ensure these capabilities will function when needed. Korea's response to COVID-19 demonstrate the value of this institutional capacity. After the 2015 MERS coronavirus outbreak in Korea, the government made 48 reforms to boost public health emergency preparedness. These included guidelines for screening facilities, comprehensive testing and contact tracing, and supporting people in quarantine to make compliance easier (Kim et al., 2021[20]). These systems have helped to quickly contain the spread of COVID-19, and allowed economic and social activities to resume earlier than in many other OECD countries.

Governments which have been able to draw on volunteers have found them an important additional human resources in crisis response. In large-scale and complex crises, government employees cannot necessarily manage alone. Developing trusted partnerships with the private sector, civil society and volunteer organisations with operational capacities

to contribute to crisis management is key (OECD, 2015[21]). During the COVID-19 pandemic, many OECD countries organised volunteer initiatives to provide rapid surge capacity support. These were often in community resilience functions, including staffing vaccine distribution sites and delivering food and medicine to people in isolation. For example, Israel leveraged a cadre of over 10 000 volunteers to support the collection of test samples and call centre operations (Kim, 2020[22]). Volunteers also provided important logistical support in Israel's vaccine rollout, which has been by far the fastest in the world in terms of the share of population receiving a first dose.

Information, co-ordination and policy making

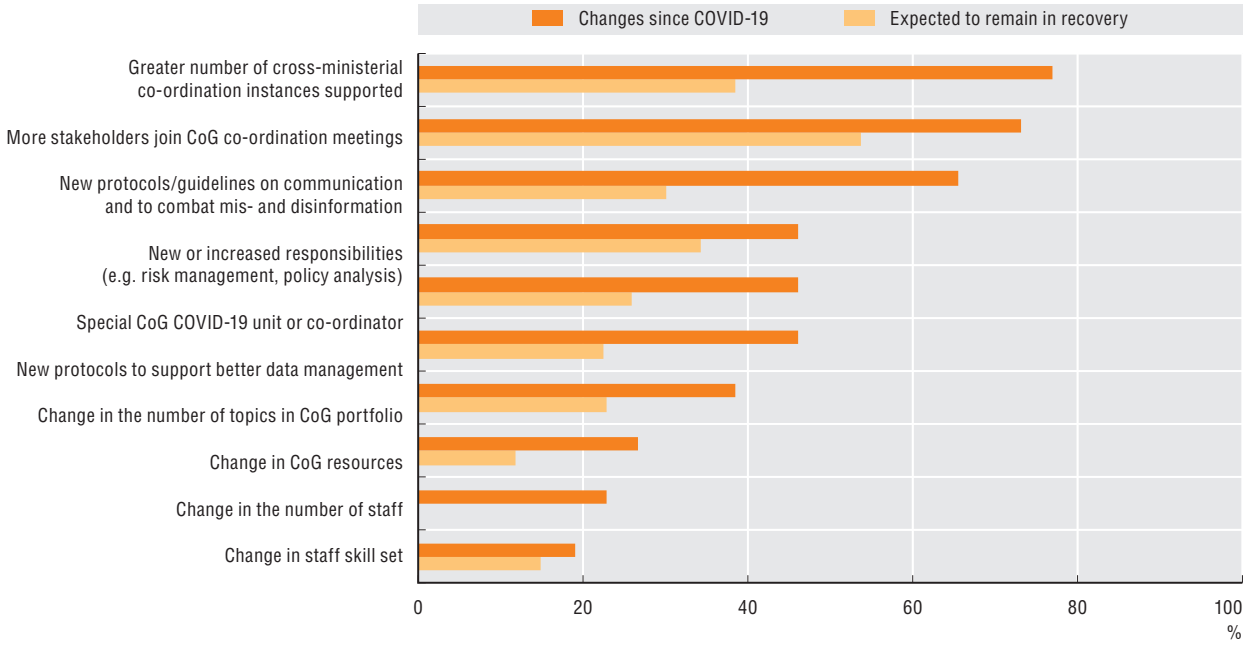
Central government institutions had to rapidly redesign processes for decision making and cross-government policy co-ordination during 2020, as pre-existing structures were not always fit for addressing the multidimensional impacts of the COVID-19 crisis. The OECD defines the centre of government (CoG) as the body or group of bodies that provide direct support and advice to heads of government and the council of ministers, or cabinet. CoGs have played an important role throughout the crisis in strategic planning, cross-government co-ordination and stakeholder engagement in policy making. COVID-19 has created an unprecedented need for timely data and information, and new policy co-ordination challenges for governments. It has required CoGs to access and analyse vast quantities of complex data and information in order to inform decision making and prioritise action – see Chapter 4 and also OECD (2020[23]). The cascading nature of the crisis has required policy to continuously evolve in response to new information about its health, economic and social impact.

At the outset, CoGs faced a range of challenges to the effective co-ordination of policy responses across government. The most common included the lack of appropriate laws and regulations to allow the government enough flexibility to respond to the crisis, and the lack of appropriate structures to co-ordinate responses. Many governments also faced gaps and/or overlaps between the roles of different institutions rolling out emergency responses, competing priorities between institutions, and a lack of protocols and structures to obtain and review expert and scientific evidence (OECD, 2021[19]).

To improve their decision-making processes and co-ordination, most OECD countries adapted the capacities and/or responsibilities of their CoGs (Figure 1.4). Among the 26 OECD countries for which data are available, 77% of CoGs supported more cross-ministerial co-ordination activities and 73% involved more stakeholders in co-ordination meetings. Just under half (46%) gained increased responsibilities or set up a new COVID-19 unit or co-ordinator. However, in most cases these increased responsibilities did not come with additional resources. Only 27% of CoGs had a change in the financial resources available to them, and only 23% a change in staffing levels. This created significant pressure to deliver an expanded set of priorities with the same resources.

Governments evolved and innovated in their cross-government co-ordination mechanisms during the crisis. Box 1.1 gives a number of examples. Countries have commonly developed complementary approaches to traditional emergency management procedures, led or supported by the centre of government. Almost half of OECD governments deployed new institutional arrangements to manage the pandemic, either in the form of a dedicated unit or an appointed co-ordinator. There is also some evidence of government departments that had previously worked in silos coming together to take more effective and rapid decisions (OECD, 2020[23]).

Figure 1.4. **Changes in centres of government during COVID-19 and planning of the recovery**



Note: Presentation created for Government at a Glance 2021 using data from OECD (2021[19]) with responses from 26 OECD countries: Austria, Belgium, Canada, Chile, Colombia, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Iceland, Ireland, Israel, Italy, Korea, Latvia, Lithuania, Luxembourg, Mexico, Norway, Poland, Portugal, Sweden and Turkey.

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Box 1.1. **Innovative government co-ordination mechanisms during COVID-19**

Australia: The National Cabinet was established as the primary way for state and territory leaders to interact with the federal government. The greater frequency of meetings and shared sense of purpose made the forum more agile and co-operative and more effective at delivering co-ordinated action. The National Cabinet has now pivoted from the management of the pandemic to planning the recovery.

Colombia: Early in the pandemic, Colombia's delivery unit was tasked with managing government operations. It focused on creating routines and work plans for Colombia's COVID-19 co-ordinator, and monitoring and implementing medium-term goals. The centre of government will retain new responsibilities for risk management and policy analysis during the recovery phase.

France: Existing crisis management cells were merged to adapt to the end of the lockdown. The Prime Minister's office announced a new *Centre Interministériel de Crise*. The Ministry of the Interior and the Ministry of Health were fully integrated into this organisation and the various territorial networks systematically included.

Latvia: A new COVID-19 Crisis Recovery Strategic Group was established. Led by the Prime Minister, the group is composed of the Association of Local and Regional Governments, the Academy of Sciences, the Employers' Confederation, the Chamber of Commerce and Industry, and the Trade Union Confederation, among others. It also involves the Parliament.

Source: OECD (2020[23]), "Building resilience to the Covid-19 pandemic: The role of centres of government", *https://doi.org/10.1787/883d2961-en*; OECD (2021[19]), *Building a Resilient Response: The Role of Centre of Government in the Management of the COVID-19 Crisis and Future Recovery Efforts*.

While objective data on the effectiveness of these changes are not yet available, many governments expect to retain the changes they have made to the functioning of their CoG during the planning of the recovery period (Figure 1.4). Co-ordination is likely to remain an issue due to the complexity of delivering recovery plans. Among OECD countries for which data are available, most governments expect to continue having more stakeholders participating in meetings called by the CoG. Many countries also expect to continue with increased cross-ministerial and inter-governmental co-ordination, and new or increased responsibilities for the CoG. From a resilience and complex risks management perspective, governments should reflect on the scale of innovation which was required, and how they could improve resilience by developing more responsive policy-making structures with more co-ordination and fewer institutional barriers. Chapter 4 presents more details on CoGs.

Active engagement of external stakeholders in policy making has often been limited during COVID-19, potentially reducing the quality of policy design and citizen trust. Although 73% of CoGs increased the number of stakeholders joining co-ordination meetings, there are no data on the extent to which groups other than scientific experts were involved. Most (77%) consulted stakeholders on the design of COVID-19 response strategies, but only 35% actively involved stakeholders in their design (OECD, 2021[19]). Among government initiatives to publish data on COVID-19 and responses, 77% are primarily for situational awareness. There is limited evidence that open government data initiatives drove concrete action beyond public communication efforts during the COVID-19 pandemic (OECD, 2021[24]). The potentially limited scope of external consultation may be due to governments prioritising speed over transparency and oversight. COVID-19 has been a fast-moving crisis, and speedy decision making is a legitimate and important goal for governments. Nonetheless, imbalances in democratic engagement can damage long-term resilience by affecting both policy quality and public trust.

The OECD COVID-19 Innovative Response Tracker (OECD, 2020[25]) has identified multiple examples where public consultation has been able to effectively and rapidly bring in expertise and design solutions, even in a crisis. Often these have been enabled by digital technology. A number of countries ran "hackathons" in the early stage of the crisis, and some demonstrated quick results. In Latvia, this resulted in methods to quickly produce face shields at scale to supply Latvian hospitals (OECD, 2020[26]). In Estonia, this contributed to building a digital solution for monitoring personal protective equipment (PPE) stocks and demand (OECD, 2020[27]). In Colombia, the City of Bogota worked with scientists, transport and public health experts to design transport solutions during the early stages of the crisis (OECD, forthcoming[28]).

In some cases, deficiencies in governments' ability to manage and share data hampered their responses to COVID-19. The crisis has underlined that data and information are critical inputs to effective government. The effectiveness with which governments use information technology (IT) in analysis, decision making and delivery varies. In 2020, a cross-country OECD study of digital government practices concluded that "progress towards a comprehensive and dedicated approach that addresses data as a strategic asset seems to be lacking" (OECD, 2020[29]). It found just over half of countries had a public sector organisation responsible for leading or co-ordinating the implementation of data policies. However, only one-third had established dedicated roles for this purpose (e.g. a national chief data officer), and as reported in Chapter 9, most countries did not have a single exhaustive data inventory for the central government. Around a fifth of countries continued to rely on ad hoc agreements for data sharing between public agencies.

There is no comprehensive evidence on the effect of shortcomings in data sharing on the ability of governments to absorb the COVID-19 shock. However, 46% of CoGs developed new protocols to support better data sharing regarding COVID-19. Some examples show issues with data generation, access and sharing within governments has hampered delivery for citizens. For example, more rapid and co-ordinated delivery of health services and vaccination bookings have been possible in countries with basic data registers and other public sector data sources (e.g. pension systems, health records). In countries lacking such systems, population register numbers are instead being used as identifiers for citizens to book vaccinations (OECD, forthcoming[28]). This underlines the need to develop coherent data governance frameworks for secure and streamlined data access.

Public finances and budgeting

OECD governments drew on their fiscal buffers, mobilising massive amounts of public funds to help manage the health and economic impacts of the crisis. The ability to do this has been a key element of resilience. All OECD governments provided discretionary budgetary responses, to support to households and/or firms adversely affected by restrictions on economic activity and to increase provision of health services (Figure 1.5). The initial set of emergency fiscal packages announced in 2020 included a mix of public expenditure and tax measures, combined with balance sheet items including government loans, guarantees and equity injections (Box 1.2). The composition and scale of support varied substantially, possibly reflecting differences in the scale of the shock, the sectors worst affected and what governments could afford. In countries including Germany, Italy and Japan, fiscal support was primarily provided in the form of liquidity support for businesses. Channels included equity injections, loans, asset purchases, debt assumptions and guarantees. Fiscal support implemented or planned among OECD countries comes to around 16.4% of GDP via additional spending or foregone revenues and 10.5% of GDP via balance sheet measures (also referred to as "liquidity support measures", these include equity injections, loans, asset purchase or debt assumptions, and contingent liabilities).

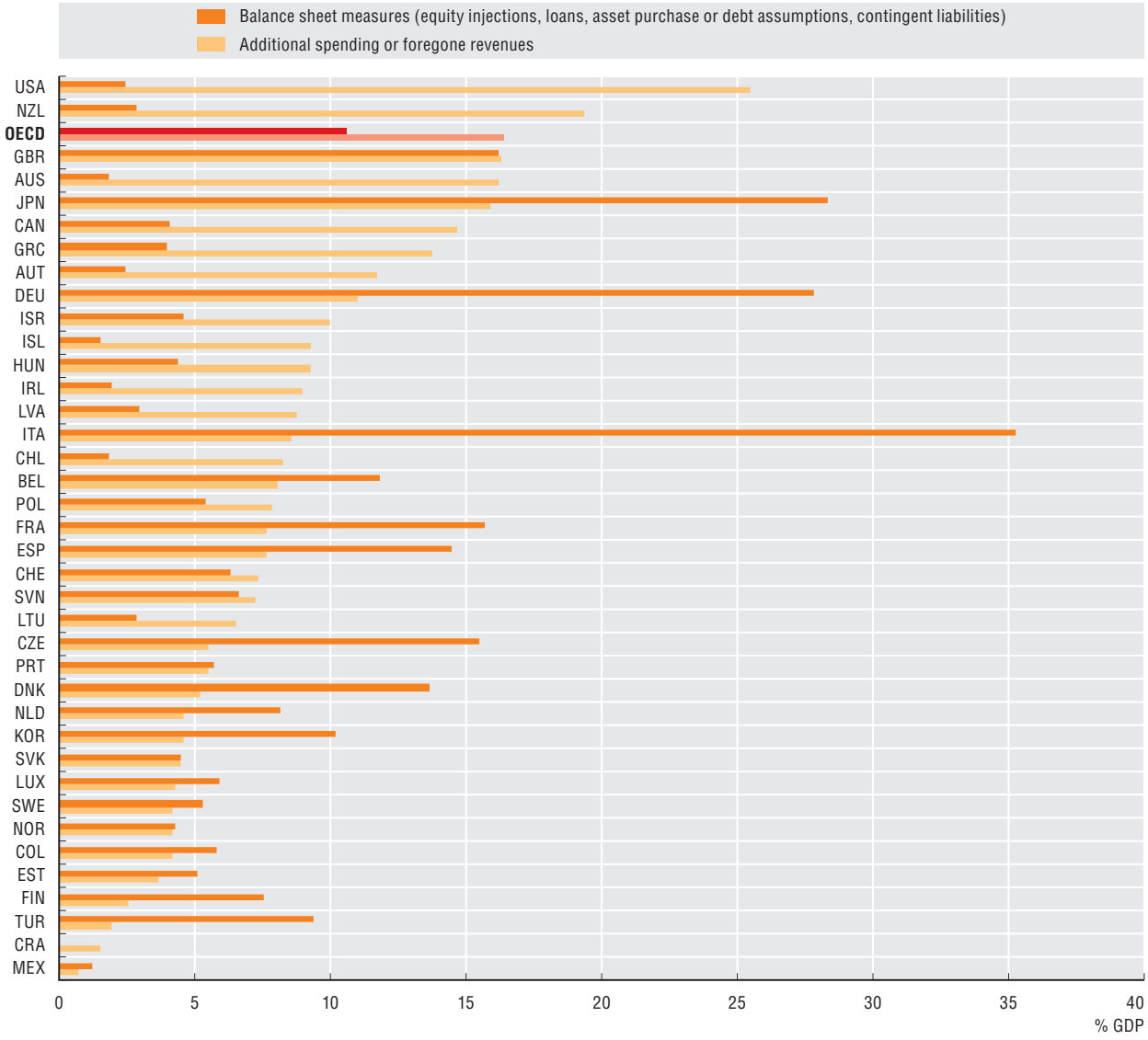
These budgetary measures required co-ordinated responses across levels of government. Regional and municipal governments deliver public services in many OECD countries, and were affected by both increased demand for services and lower revenues from COVID-19 restrictions. In Australia, the national government negotiated agreements to reimburse state and territory governments for the additional cost of health care services due to COVID-19. In Spain, the government enabled municipalities to use funds from the 2019 budget surplus for social services and provided financial transfers to autonomous communities for health, social and emergency services (OECD, 2020[30])

While no performance information is yet available for most fiscal responses, low take-up rates of balance sheet measures may suggest that their design was not optimal. According to preliminary estimates by the OECD, although the size of these announced balance sheet measures was large, actual spending was more modest, due to low take up, particularly in some European countries. For example, as of December 2020, take up of loans under government guarantee schemes was less than 10% of the scheme size in Australia, Canada, and Germany (Figure 1.6). The significant gaps between the stated size of these schemes and their actual take up are partly due to varying financing needs across countries and a greater use of other policy measures, but also conditions associated with the scheme and operational bottlenecks (Falagiarda, Prapiestis and Rancoita, 2020[33]). In order to avoid similar

discrepancies between announced recovery plans and their implementation, governments will need to strike the right balance right between planning, design and delivery modalities, and establishing appropriate monitoring and evaluation to adjust course when needed.

Figure 1.5. **Discretionary fiscal responses to COVID-19 among OECD countries**

Percentage of GDP



Note: OECD generated presentation of data from the IMF Fiscal Monitor Database of Country Fiscal Measures in Response to the COVID-19 Pandemic. This database summarises key fiscal measures governments in selected economies have announced or taken in response to the COVID-19 pandemic as of 17 March 2021. It includes COVID-19 related measures since January 2020 and covers measures for implementation in 2020, 2021, and beyond. The database categorises different types of fiscal support (for example, above-the-line and below-the-line measures, and contingent liabilities) that have different implications for public finances in the near term and beyond. The database is not meant for classifying the measures for fiscal reporting, nor for comparison across economies as responses vary depending on country-specific circumstances, including the impact of the pandemic and other shocks. It focuses on government discretionary measures that supplement existing automatic stabilizers. These existing stabilizers differ across countries in their breadth and scope. Estimates included here are preliminary as governments are taking additional measures or finalising the details of individual measures. IMF estimates of accelerated spending / deferred revenue are not presented. Measures labeled "Balance sheet" are those which are labeled "Liquidity support" in the original IMF dataset.

Source: IMF (2021[32]), *Database of Country Fiscal Measures in Response to the COVID-19 Pandemic*, *www.imf.org/en/Topics/imf-and-covid19/Fiscal-Policies-Database-in-Response-to-COVID-19*. Data extracted on 9 June 2021.

StatLink https://doi.org/10.1787/888934256444

Box 1.2. **COVID-19 fiscal policy response measures**

Public expenditures measures: A large proportion of these measures were directed towards social protection, including funding increases for public health services, support for vulnerable people and wage subsidies for employees and the self-employed. Social protection measures were principally provided through welfare and tax systems where governments had existing policies, infrastructure and the means to distribute funding. France and Germany relaxed the criteria for access to unemployment benefits. In Canada and New Zealand, funding for wage subsidies was disbursed within one week of the measure being announced. Support for vulnerable people included meal allowances for children affected by the suspension of schooling in Spain and increased availability of food stamps in the United States. Measures were time bound so governments could decide whether to extend or adjust depending on take-up rates and the impact of COVID-19.

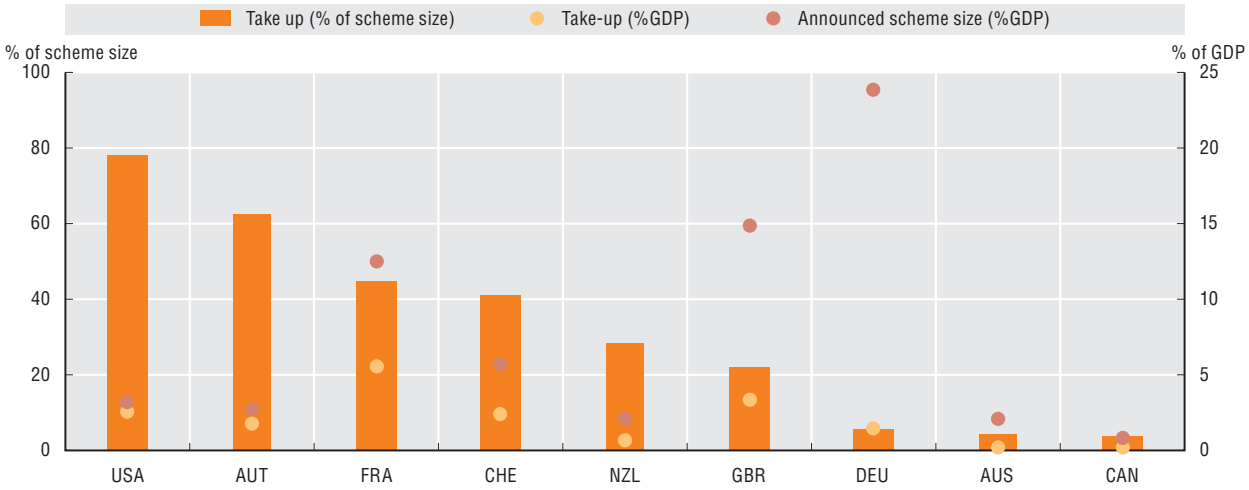
Tax expenditure measures: These measures were in the form of deferrals of payments and reductions to tax rates. Deferring due dates provided liquidity to businesses by enabling them to temporarily retain the tax payable. For example, Canada deferred the date for filing income tax returns by six months to 31 August 2020. The United Kingdom deferred the self-assessment payment date for self-employed people. Other countries reduced the rate of taxation. Iceland repealed its bed-night tax on hotel accommodation.

Balance sheet measures: In many OECD countries, balance sheet measures were at least as large in value as public expenditure measures. Government loans and guarantees were directed to the financial sector to keep lines of credit open to businesses and the self-employed. In Finland, the government issued guarantees for business loans with up to a three-year maturity. In Israel, the government provided guarantees for loans to small and medium-sized enterprises of up to 85% of the loan for a five-year period. Some OECD countries provided equity injections to businesses, such as those in the aviation sector where business activity suffered a sharp fall in revenue from COVID-19 restrictions.

Source: OECD (2020[31]), *Initial Budget and Public Management Responses to the Coronavirus (COVID-19) Pandemic in OECD Countries*, *www.oecd.org/gov/budgeting/initial-budget-and-public-management-responses-to-covid19-in-oecd-countries.pdf*.

Independent fiscal institutions, such as fiscal councils, played an important role supporting transparency and accountability in budgeting. In some cases, this included functions that would more typically be performed by parliaments. In many OECD countries, parliaments were temporarily suspended at the onset of the pandemic, just as governments were rapidly mobilising their responses to combat the spread of COVID-19. During this period, independent fiscal institutions performed many roles, including monitoring the activation of escape clauses relating to fiscal rules, costing emergency legislation, providing rapid analysis of the potential impact of budgetary responses to the pandemic, and promoting transparency and accountability for the emergency procedures that were available to governments and legislatures during the pandemic (OECD, 2020[35]). In Germany, the Independent Advisory Board to the Stability Council provided a statement on compliance with the structural budget deficit limit. In the United States, the Congressional Budget Office prepared estimates of the cost of legislative bills. In Austria and Canada, rapid analyses were published by the Fiscal Advisory Council and Parliamentary Budget Officer respectively. In Ireland, the Parliamentary Budget Office published briefs on emergency legislation to support transparency while a caretaker government was in place. Budgeting issues are explored further in Chapter 5.

Figure 1.6. **Take up of loans under government guarantee schemes**



Note: The take up of loans under the main government guarantee schemes in the emergency fiscal packages is presented as a share of the scheme's size (left hand scale) and as a share of GDP in 2019 (right hand scale). The information on take up refers to the latest publicly available data as of February 2021. Take up data for Australia date back to July 2020 and for Canada to September 2020. The loan guarantee schemes as part of the emergency fiscal package in Switzerland ended on 31 July 2020 and in the United States on 8 August 2020. The overall size of the main guarantee schemes is AUD 40 billion for Australia, EUR 10.7 billion for Austria, CAD 20 billion for Canada, EUR 300 billion for France, EUR 833 billion for Germany, NZD 6.5 billion for New Zealand, CHF 40 billion for Switzerland, GBP 330 billion for the United Kingdom and USD 670 billion for the USA. Canada's main loan programme, worth CAD 55 billion, containing certain features resembling a guarantee scheme, is not included in this figure.

Source: OECD (forthcoming[34]), *Balance Sheet-Based Policies in COVID-19 Fiscal Packages*.

StatLink https://doi.org/10.1787/888934256463

Public employment and human resource management

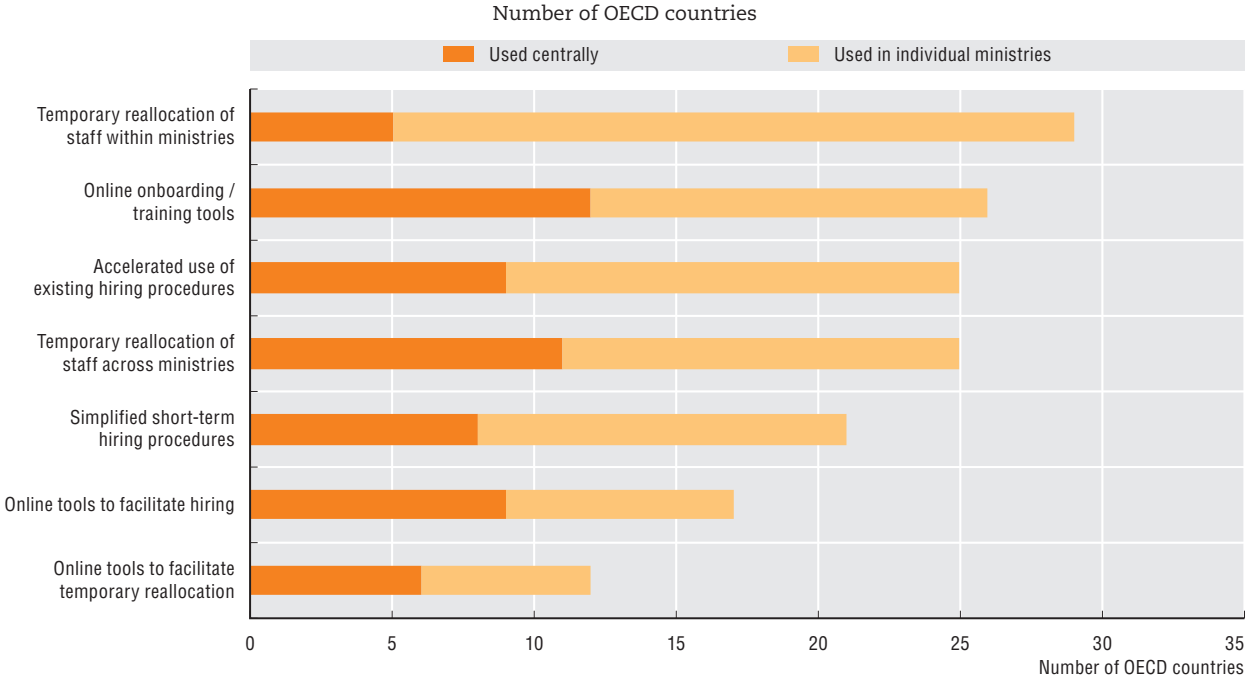
Governments substantially increased public employment, and drew on reserves of skills and motivation among existing staff to manage the crisis. Across the public sector as a whole (i.e. the civil service and wider public sector employment), public sector organisations had to meet significant spikes in demand for services. This was done both by re-assigning staff and hiring large numbers of new staff for areas of emerging priority, especially health care, social services and employment services. In some cases, like contact tracing, large numbers of new and/or temporary staff were needed.

Public services reacted flexibly and innovatively to source and induct staff. Figure 1.7 shows the approaches they developed and used. To reallocate existing staff, 29 out of 37 OECD countries used temporary reallocation of staff within their current ministry, and 25 reallocated staff across ministries and agencies, often using a central human resources (HR) authority to manage this. To hire new employees, 25 OECD countries responded to crisis needs by accelerating their hiring processes, 21 simplified their hiring processes, and 17 used new online tools to facilitate hiring. Once hired, 26 countries used online on-boarding and training tools to train staff quickly in a remote environment (Figure 1.7). Good practices for resilience also included a focus on the human aspects of HR management, including supporting the mental health of staff and maximising the flexibility of leave policies (OECD, 2020[36]).

Governments were able to rapidly redesign much of the public sector to operate remotely, due to innovation and investment in digital technology infrastructure prior to COVID-19. From the outset, human resource management was pushed to the frontlines of the pandemic response, with governments needing to keep staff safe and healthy. One of the

most common and visible aspects of their response was a massive shift to remote working. The pandemic transformed the work and workplaces of public sector organisations, with many having to become largely virtual and remote, often overnight. At the height of the first wave of the pandemic, more than 60% of the central government workforce was working remotely in most OECD countries – a scale without precedent (Figure 1.8).

Figure 1.7. **Approaches to resourcing areas that required additional staff during the first wave of the COVID-19 crisis**



Source: Presentation created for Government at a Glance 2021 using data from OECD (2021[37]), *Special Module on COVID-19: Response of the Survey on Public Service Leadership and Capability*.

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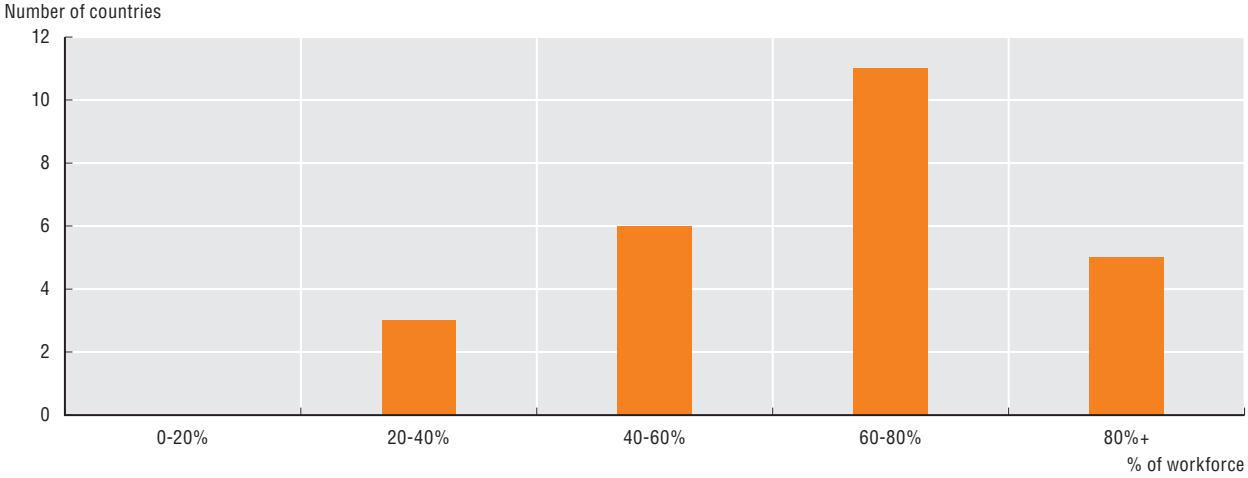
Figure 1.8. **Approximate share of the central/federal administration workforce working remotely during the COVID-19 first wave**



Source: Among 25 OECD countries for which data is available. Presentation created for Government at a Glance 2021 using data from OECD (2021[37]), *Special Module on COVID-19: Response of the Survey on Public Service Leadership and Capability*.

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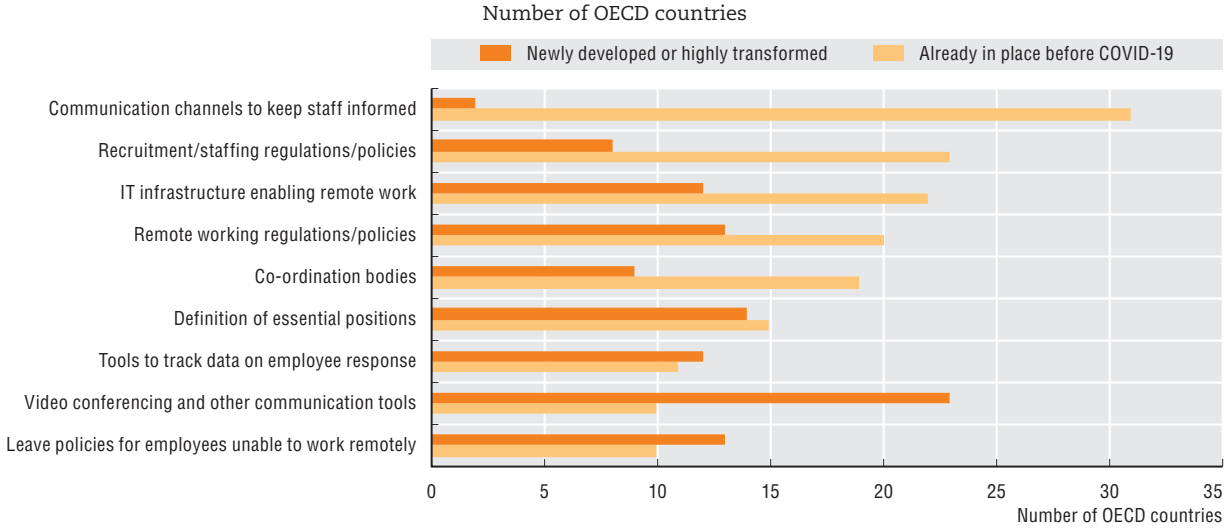
The ability to move rapidly to large-scale remote working and service delivery was a key source of government resilience during the initial shock of COVID-19, and critical to continuity of government functions. It was possible partly because most OECD governments (22 of 34) already had the digital technology systems required for remote working in place prior to COVID-19 (Figure 1.9). While this was not specifically done for crisis preparedness, it gave governments a high level of redundancy in their operations, allowing any location to function as a "government office".[3] The experience with remote working demonstrates the importance of both maintaining buffers and ahead-of-time innovation to government resilience and shock absorption.

In areas other than digital infrastructure, governments still had to make significant changes to absorb the crisis and enable remote working: 23 OECD countries had to invest in new or highly transformed videoconferencing tools, 13 had to reconsider leave policies for staff who were unable to telework and 14 had to significantly revise their definition of essential workers (those who would still have access to offices, or be required to work). A striking example of the scale and speed of change is provided by the Bank of England. Between March and May 2020, its IT and HR systems were re-engineered to allow core banking functions to operate remotely, with "hundreds of billions of pounds worth of operations delivered from peoples' bedrooms, attics and kitchens, whilst isolated on their own, or caring for children and other relatives" (Hauser, 2020[38]).

Resilience could have been improved by implementing changes in public employment processes prior to COVID-19. While rigorous evaluations of the effectiveness of these changes are not yet available, governments are embedding aspects of flexibility into public employment systems to support longer-term resilience. A large majority of governments intend to retain the more flexible practices (See Figure 6.8 for more details). As with other aspects of government responses, they could have been even more resilient had they made these innovations in advance of COVID. Public employment and human resources issues are explored further in Chapter 3.

Figure 1.9. **Personnel management responses in place or newly developed during the COVID-19 first wave**



Source: Presentation created for Government at a Glance 2021 using data from OECD (2021[37]), *Special Module on COVID-19: Response of the Survey on Public Service Leadership and Capability*.

StatLink https://doi.org/10.1787/888934256520

Regulation

Governments and independent economic regulators rapidly introduced a wide array of regulatory changes and easements to support COVID-19 policy responses and ensure the continuity of key services. Governments and independent economic regulators rapidly designed and implemented thousands of emergency regulatory measures to support the detailed implementation of government policies. This included emergency regulations to contain the epidemic, ensure the availability of essential goods to test for and fight the virus, and support continuity of supply in critical regulated sectors such as energy, e-communications, transport and water. They also included containment measures (such as quarantine requirements, travel restrictions and closures of schools), health system measures, and employment and social initiatives. Economic regulators put in place measures to protect public health and essential workers, support vulnerable consumers, and ensure the financial security of market actors. Details of regulatory measures can be found at the OECD Tackling Coronavirus country policy tracker (OECD, 2020[39]).

Governments and regulators also introduced a range of regulatory easements to reduce burdens on regulated entities and support service delivery. This was particularly important where legacy regulations threatened the delivery of essential services and goods. For example, Korea removed barriers that could limit the opening of innovative drive-through and walk-through testing facilities (OECD, 2020[40]; OECD, 2020[41]). Regulators extended or suspended deadlines, performance targets and incentive regimes and introduced regulatory exemptions. For example, Canada temporarily adjusted requirements for airlines to pay compensation (OECD, 2020[42]). Some regulators allowed co-operation between companies that might have been considered anti-competitive in normal times. Many regulators suspended or minimised inspections, focusing only on those deemed essential and sometimes moving to virtual inspections. The United States announced that it would not enforce when masks were put on the market without prior approval, if certain conditions were met (OECD, 2020[41]).

Governments and regulators fast-tracked many new regulations, and cut back on impact assessments and stakeholder consultation. Prior to the crisis, only around one-third of OECD countries had established some form of exception to the requirement to carry out regulatory impact assessments (RIAs) in emergency responses (OECD, 2018[43]). Various flexible approaches were therefore employed towards RIA for emergency regulations. These ranged from exemptions (e.g. Australia, Belgium) to ensuring that policy documents at least discussed qualitative impacts (e.g. the United Kingdom). The usual procedures to scrutinise the quality of RIAs for emergency regulations were often not followed or were shortened, although some oversight bodies have required follow-up once evidence becomes available (OECD, 2020[40]). Shortened legislative procedures were used to implement many regulations, making use of fast-tracking or emergency legislation (OECD, 2020[42]).

Stakeholder engagement practices used shorter consultation periods and more focused consultation activities. In some cases, economic regulators put consultations on hold, recognising the limited ability of stakeholders to take part. Regulators took a risk-based approach in deciding which stakeholder engagement processes to postpone, prioritising the most time-critical processes (OECD, 2020[42]). There have been examples of international co-ordination of responses and exchanges of practice through networks of regulators, including through the OECD Network of Economic Regulators. However, despite strong calls for governments to recognise the importance of international regulatory co-operation, their initial responses tended to be unilateral (OECD, 2020[44]).

Transparency and oversight has often been supported by making regulations temporary or subject to *ex post* review. Fast-track procedures can create risks for democratic oversight and transparency, as well as reduced effectiveness. These risks have been offset in many cases by the use of temporary regulations, sunset clauses and review requirements to ensure that emergency regulatory measures do not avoid scrutiny indefinitely. Most administrations have reported that their emergency measures are intended to be temporary. Many regulatory easements have end dates (with the possibility of extensions) to avoid unnecessarily long disruptions to markets and competition. Some governments added sunset clauses to emergency legislation, so laws either automatically expire or a decision has to be made to extend them. A number of governments added mandatory post-implementation review (PIR) requirements to emergency regulations. These mechanisms were not widespread before the crisis: just under half of OECD countries had some form of sunset requirements in place, and only eight had post-implementation review requirements (OECD, 2018[43]).

Governments and regulators will need to embed resilience as a key consideration for their regulatory frameworks, to ensure they can absorb future systemic shocks (OECD, 2019[4]). Building flexibility into regulatory management tools in a structured way, in advance, will increase their "crisis preparedness" and help governments to manage trade-offs between speed and transparency better. Flexibility can be built into RIA processes by exempting or requiring less detailed RIAs for certain emergency regulations, whilst ensuring timely *ex post* review (OECD, 2020[45]). Flexibility can be built into stakeholder consultation policies to enable more targeted but meaningful engagement in future crises (OECD, forthcoming[46]). Regulatory oversight bodies should consider how to adapt their practices during future crises to ensure that they can scrutinise and support potentially high-impact regulations. Regulatory responses to COVID-19 will be explored in more detail in the 2021 OECD Regulatory Policy Outlook. Chapter 7 also covers regulatory issues.

Public communication

Many governments entered the crisis with established crisis public communication practices, which have supported their responses. Governments needed to provide accurate and timely information about the evolving health situation, lockdowns and social distancing measures to the public. In 2019, communicating during a crisis was the top cited challenge for public communication in most OECD CoGs (56%) and ministries of health (50%) for which data were available. Many had proactively prepared to address the co-ordination and human resources challenges it poses, with 26 of 27 OECD countries having central crisis communication co-ordination mechanisms. Eighteen out of 27 CoGs (67%) and 13 out of 17 ministries of health (76%) had defined crisis communication procedures. The same number of CoGs could provide surge support to such activities – see Chapter 4, and also OECD (2020[47]).

When citizens' expectations are at their height, the authorities need to find the right words to make sense of what is happening, especially when a crisis is so severe that it challenges trust in the government. Making meaning refers not only to providing information, but creating a narrative that responds to public expectations (OECD, 2018[12]). This cannot fully be prepared for ahead of a crisis, and even some governments which had processes in place found it challenging. 12 of 26 CoGs (46%) identified the lack of a unified narrative and/or coherence in public communications across government as one of the most challenging issues in co-ordinating the response at the outset of the crisis (OECD, 2021[19]).

Digital communication has been important in supporting governments to disseminate messages quickly and effectively. Prior to the crisis, 15 of 27 (56%) of OECD CoGs reported that crisis communication was the leading objective for their use of digital tools. As COVID-19 emerged, OECD governments rapidly launched open government data initiatives to disseminate information about the crisis. The OECD has identified 76 such initiatives globally, with data repositories and dashboards being the dominant products. Of these, 83% provided information on the initial pandemic response while 77% sought to improve situational awareness for decision makers and the public (OECD, 2021[24]). Digital tools also proved helpful in communicating with diverse and harder-to-reach groups, including youth. Finland collaborated with civil society, media and social media influencers to share reliable information on COVID-19 measures, provided by public authorities. Over 1 800 influencers participated and 97% of respondents considered the information to be relevant (Ping Helsinki, 2020[49]).

Traditional crisis communication has often been implemented in a top-down manner, with messages delivered from governments to citizens (OECD, 2016[50]). During COVID-19, some countries have innovated by developing two-way crisis communication, to foster dialogue and help governments understand citizens' questions and concerns. For example, Slovenia established a call centre for citizens to engage with public health professionals. This allowed citizens to receive immediate responses to health and safety issues, and gave government a more thorough and immediate knowledge of citizens' concerns.

Assets, infrastructure and procurement

Global supply constraints in medical and other essential goods limited governments' ability to absorb the shock of COVID-19. Their responses were also hindered by information constraints in public procurement systems. Shortages of basic medical goods have been among the most dramatic and distressing aspects of the COVID-19 crisis. Governments were required to procure large quantities of goods and services rapidly and unexpectedly, including vaccines, personal protective equipment, ventilators, hand sanitisers, face masks and health services. Early data illustrate the scale of spending: for example, in the United Kingdom, contracts related to COVID-19 amounted to GBP 21 billion in 2020 (Tussell, 2021[51]), roughly 1% of GDP. The rapid surge in demand, with many public and private buyers purchasing the same goods and services at the same time, led to global supply constraints.

Procurement systems did not necessarily face pressure from the total volume of spending. The surge in demand for essential goods and critical services during the COVID-19 crisis may have been offset by a slowdown in procurement in other areas of government. For example, Chile's procurement spend increased by 7% in 2020, but there was a 29% decline in signed public contracts, as contracts became larger but fewer (ChileCompra, 2021[52]). In France, the first three quarters of 2020 saw a 25% decrease in the number of tenders published compared to the same period in 2019 (AdCF, 2020[53]).

However, a key challenge for procurement systems during COVID-19 has been a scarcity of "business intelligence" i.e. information about the needs of public entities, contracted suppliers, and available products and markets. Before the crisis, 19 of 32 OECD countries with data available did not have business intelligence among their e-procurement functions (OECD, 2018[54]). With many public buyers needing the same medical goods and services at the same time, any information gaps about demand or potential sources of supply hindered the efficiency of government responses.

Governments had to innovate their public procurement processes and IT rapidly to address information deficits and manage more efficiently within global supply constraints. Early in the pandemic, a lack of co-ordination increased the risk of duplication of purchases, and risked causing stockpiling in some locations while there were shortages in others. As a result, the use of co-ordinated approaches in public procurement evolved and intensified, including sharing information about prices and suppliers between countries and/or public buyers. For example, Chile identified and profiled key contracts and suppliers, and published a list of suppliers of critical products with information on their products and stocks. Examples from several countries (Canada, Ireland, Italy and the United Kingdom) demonstrate that close communication with suppliers, and national, regional or global partners helped all actors to be aware of potential solutions to supply shortages (OECD, 2020[55]).

Collaborative procurement approaches, such as centralised purchasing or joint procurement, were implemented in almost two-thirds (63.5%) of OECD countries. Even countries with more decentralised public procurement systems supported joint purchasing and other forms of collaboration to tackle COVID-19, for example in Germany, where health procurement is generally conducted in a decentralised manner (OECD, 2020[55]).These approaches can help to ensure immediate responses, sustain competition by avoiding emergency direct awards of contracts and avoid duplication of stock.

Some countries quickly developed e-procurement solutions. Lithuania created special IT tools to manage health sector institutions' needs for supplies and services, in order to obtain actual data on procurement needs (OECD, 2020[55]). The pandemic has accelerated digital-by-default public procurement systems. For example, in Colombia, the use of the e-procurement platform SECOP II increased by 40% in 2020 (Portafolio, 2021[56]). Several countries are expanding the use and functionalities of existing or new e-procurement platforms. In some cases, better collection and tracking of information on emergency contracts and suppliers would have helped them to co-ordinate procurement, strengthen their capacity to anticipate procurement needs and minimise the risks of mismanagement of public funds.

The COVID-19 crisis created substantial integrity challenges for public procurement (OECD, 2020[57]). Previous emergencies have shown that when governments have to urgently procure large quantities of goods and services, the risk that they do not meet quality standards and/or are procured corruptly rises. Increased global competition for necessary supplies could also lead to buyers corrupting sellers in order to receive essential goods and services – the reverse of what normally happens. Governments also had to manage ongoing public contracts as well as their crisis procurement for COVID-19. Public procurement legislation often provides exceptional measures for paying ongoing contracts in emergencies but such derogations to established practices can open the door to corrupt practices, if they are not subject to transparent guidelines communicated to all contracting authorities. Public procurement issues are explored further in Chapter 8.

The management and operation of public assets and infrastructure proved resilient, but some infrastructure has had to be retrofitted and upgraded. Institutional frameworks and governance tools were essential to enable the provision of infrastructure services to be adjusted to respond to shocks to demand and supply. While some infrastructure services, such as transport, were disrupted in order to contain the spread of the disease, they were replaced by others, such as digital and communications infrastructure. Other infrastructure services and assets – including health, water and energy – became key enablers for emergency responses (OECD, 2020[55]).

Resilience in the management and operation of infrastructure was key to maintaining the continuity of public services. Several OECD countries ramped up temporary or portable health care units and partnered with the private sector meet the increased demand for health infrastructure. Some identified critical services and introduced strategies to overcome obstacles to ongoing infrastructure contracts. For example, Japan and Colombia adopted more efficient co-ordination mechanisms across all levels of government and between public and private stakeholders. This reinforced collaboration in the provision of infrastructure services and supported rapid dissemination of new information and emergency measures. The United Kingdom adopted guidelines to ensure continuity in the provision of services contracted under private finance initiatives (OECD, 2020[55]).

Infrastructure services were disrupted by lockdown and other measures, and in some cases by the need to upgrade and retrofit infrastructure to meet new health and safety requirements (OECD, 2020[55]). Navigating compensation to private sector providers for losses in revenue and cost overruns generated by lockdowns and restrictions also posed challenges. One potential underlying lesson may be the need for more comprehensive plans for managing, monitoring and mitigating risks throughout an asset's life cycle. Rigorous assessments of total infrastructure life cycle costs could help governments overcome challenges in adapting to rapidly changing contexts. Increased awareness of and planning for infrastructure resilience will also support overall government resilience to a wide range of external shocks by improving the quality of infrastructure and enabling the continued delivery of essential services. Infrastructure governance is explored further in Chapter 10.

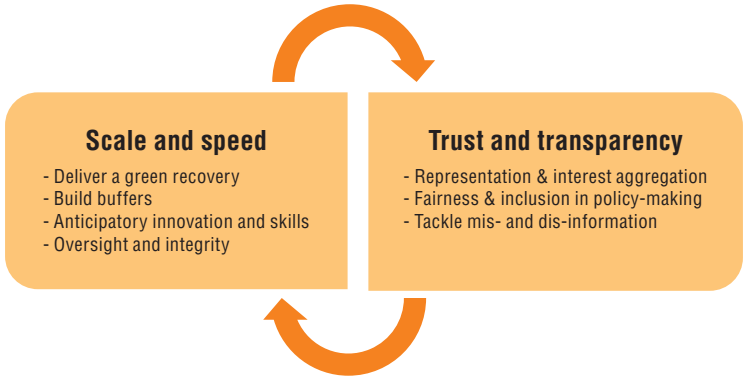
Digital government assets and infrastructure played a critical role in securing the continuity of services and remote operations. The speed with which countries facilitated the provision of existing and new digital services was related to their ability to use existing tools to transfer services to digital channels (OECD, forthcoming[28]). For example, in 2019 only 48% of OECD countries made half or more of their digital services available through single digital identity systems (OECD, 2020[29]). Where these are available, their use has increased rapidly. Chile's digital identity system saw a 50% increase in the number of active digital identities during February-August 2020, and a 400% increase in transactions using digital identities during February-July 2020. The UK national digital notification system took 4 years to reach 1 billion message, then only 6 months – from May to November 2020 – to reach 2 billion. In Canada, the national government's Shared Services Canada pivoted quickly to enable an overnight shift to work remotely, securing access and accommodating 250 000 civil servants. The challenges countries have faced in securing remote operations and resilient service delivery is reinforcing the role of digital and data-driven government. In Korea, the Korean New Deal envisages a post-COVID-19 digital recovery pathway to secure proactive and contactless operations and services by 2025, based on intensified use of data-driven and smart technologies in the public sector (Government of Korea, 2020[58]).

Fit for the future: Strengthening government resilience

To build resilience during the recovery and adaptation stages of the COVID-19 shock, governments must ensure they remain able to act at speed and scale, while better safeguarding against threats to trust and transparency. The actions and responses of governments during the crisis have revealed areas of both resilience and vulnerability in their ability to absorb shocks. As described above, governments have been able to draw effectively on their resources of public funds, assets, employees and skills. They will need

to rebuild these buffers in order to have capacity for future shocks. Governments have demonstrated their ability to innovate quickly under pressure, such as in policy making and public procurement. However, they have often performed best where innovation and preparation took place ahead of time, for example in digital technology and remote working. Governments have shown flexibility in applying standards for evidence, participation, transparency and oversight in order to react quickly to the crisis. However, this has come at the expense of creating long-term risks to effectiveness, fairness, integrity and public trust, especially given the unexpected duration of the pandemic. These risks appear to have been better contained in areas where emergency procedures have been set out in advance, such as in public communication and some areas of regulation.

Figure 1.10. **An agenda for strengthening government resilience**



Through the recovery and adaptation stages, the aim must be to lock in the lessons learned from COVID-19 and ensure greater resilience to future crises. Based on the discussion above, Figure 1.10 outlines a two-pillar agenda for building government resilience to future shocks. The first pillar is ensuring government's ability to address shocks at scale and speed. These require internal-facing reforms to government operations, to lock in the benefits of reforms made during COVID-19, address areas where problems arose and mitigate future crises. In the immediate term, governments should use the major injections of public funds involved in COVID-19 recovery packages to build future resilience. The focus should first be on a green, inclusive recovery that mitigates the most pressing environmental risks, and adopts an all-hazards approach to resilience. Governments should also rebuild and maintain their buffers and surge capacities of public funds, employee skills, information and essential goods ahead of future shocks. They should consider how to support more proactive, anticipatory innovation, both to help mitigate future crises and lower the need for innovation under pressure during future shocks. Finally, governments should address the integrity risks created by rapid decision making and spending during the crisis, and better safeguard public spending and decisions.

The second pillar is building trust and transparency in government operations. These are outward-facing reforms aimed at improving how governments interact with wider society, to better support the healthy functioning of democratic systems. Governments must undertake inclusive policy making, drawing in wider views and opinions on tackling trade-offs and risks during recovery. They should ensure that the tools and analyses used in policy-making processes explore the various dimensions of inequality in society, and provide actionable information to address it and avoid doing harm. Governments should also build public trust

by ensuring that the interests of all are taken into account in a visible and balanced way, in particular through the reform of lobbying systems. Finally, governments should better tackle mis- and disinformation, in order to be able to provide a shared platform of facts on which civic debate on future policy can be based.

The two pillars are interlinked and reinforce each other. Work to deliver a green recovery, build buffers and support anticipatory innovation and skills will support trust in government over the long term, by supporting better responses to future crises. Work on fairness and inclusion, representation, and tackling mis- and disinformation will support better responses when future crises arise by improving the quality of and public support for policy responses. Improving oversight and integrity is a cross-over issue, as reforms in this area can have direct effects on trust in government.

Scale and speed

Delivering a green recovery

Governments should improve resilience by delivering a green recovery. 83% of recovery spending so far will have an unclear or negative environmental impact. COVID-19 recovery plans are expected to be one of the largest single injections of public funds on record. The post-World War 2 Marshall Plan represented approximately 2% of the GDP of the United States and the recipient countries combined. In comparison, the United States is proposing a USD 2 trillion COVID-19 recovery package (Davenport, 2021[59]), equal to around 9% of US GDP. The EU's long-term budget and recovery instrument together total EUR 1.8 trillion (European Commission, 2021[60]), amounting to around 13% of EU GDP. Both what these funds are spent on, and how government systems are adapted to spend them, can deliver long-term gains in government resilience.

The 2020 OECD Ministerial Council Statement recognised the need for governments to focus on restarting hard-hit economies by boosting growth, income and employment while promoting cleaner, more inclusive and sustainable economies (OECD, 2020[61]). Among OECD countries, the highest policy priorities for the recovery period are typically restoring growth to pre-pandemic levels, protecting the most vulnerable and building a green economy (Figure 1.11). Over the long term, these objectives should be mutually reinforcing. Designing recovery packages with decarbonisation objectives in mind will increase resilience to pressing environmental risks, and help ensure a more sustainable growth trajectory. This thinking is visible in many plans. For example, the EU's package provides major funding for fair climate and digital transitions, and future preparedness, recovery and resilience. The US plan aims to support job creation through investing in infrastructure and supporting jobs in wind and solar power, and electric cars.

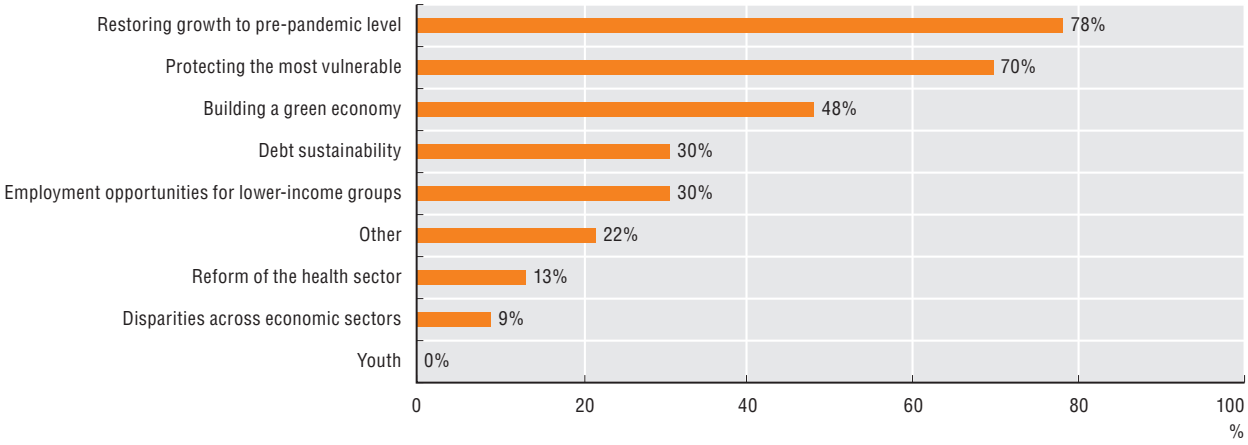
However, most of the planned spending will not drive a green recovery. OECD countries and key partner economies have so far allocated USD 336 billion to environmentally positive measures within their COVID-19 recovery packages, only 17% of the total sums allocated so far. The remaining 83% of funding either does not consider environmental dimensions or, worse, reverses progress on some of them (OECD, 2021[62]). This mirrors the potentially ineffective allocation of earlier COVID-19 support packages noted in Figure 1.6.

Governments should adopt green budgeting practices to ensure their resilience to environmental risks. Ensuring spending is targeted effectively on priority areas will require improving their capacity to focus spending on priorities and to reallocate funding across budget areas. The design of recovery plans could benefit from the architecture put in place

to support spending reviews, with a stronger focus on expenditure performance, evidence and prioritisation, and a more collaborative approach across ministries. Over the past 10 years, the use of spending reviews has spread from 16 to 27 OECD countries (OECD, 2019[63]). One example is the "Insight into Quality Program" in the Netherlands, with pilot "public value scans" (Government of the Netherlands, 2020[64]). Governments can also mobilise green budget tagging and green budgeting to ensure a focus on long-term environmental goals is maintained. They can use green budgeting tools to assess how budget measures and stimulus packages affect green objectives, and prioritise investments that support a low-carbon recovery (OECD, 2020[65]). Green budgeting practices are becoming mainstream in some OECD countries, such as France, which published its first Green Budget in 2020 (République Francaise, 2020[66]).

Figure 1.11. **Government priorities in support of the COVID-19 recovery effort**

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



Note: Includes data from centres of governments in Belgium, Canada, Chile, Colombia, the Czech Republic, Denmark, Estonia, Finland, Germany, Hungary, Iceland, Israel, Italy, Korea, Latvia, Lithuania, Luxembourg, Mexico, Norway, Poland, Portugal, Sweden and Turkey.

Source: Presentation created for Government at a Glance 2021 using data from OECD (2021[19]), *Building a Resilient Response: The Role of Centre of Government in the Management of the COVID-19 Crisis and Future Recovery Efforts*.

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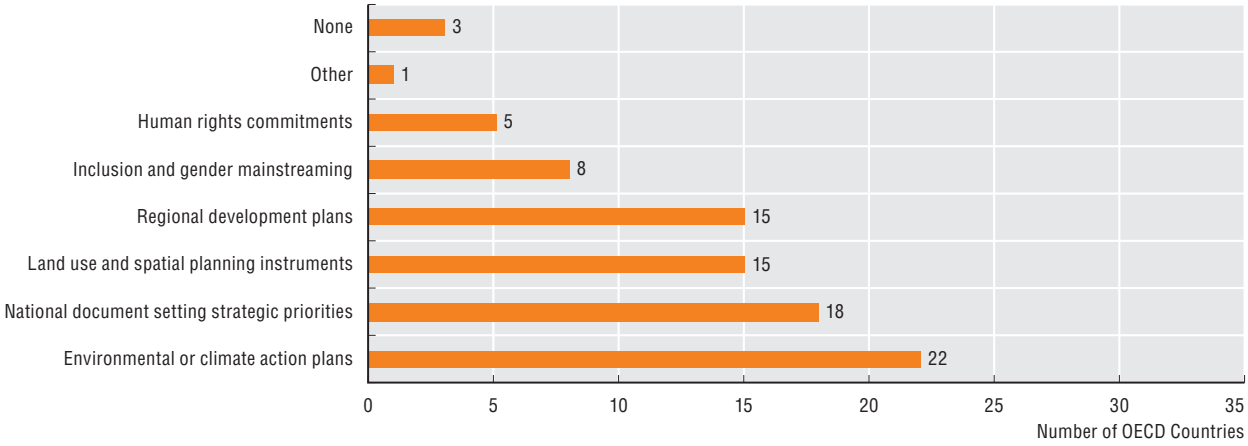
Governments should ensure infrastructure projects support future resilience and contribute effectively to climate change adaptation and mitigation. Among surveyed OECD countries which have already approved COVID-19 recovery packages, 71% identify infrastructure investment as an important component. In Chile, Costa Rica, Hungary, Ireland, New Zealand and Slovenia, 30% or more of the stimulus has been allocated to infrastructure investments (OECD, 2020[67]). Strategic planning which aligns these investment plans with long-term growth and wellbeing policies can maximise returns on climate resilience, social inclusion, sustainable growth and gender equality. OECD countries are increasingly aligning their infrastructure strategic vision with broader objectives (Figure 1.12). For example, Canada and Ireland are updating their investment plans to fully align infrastructure investments with social and environmental policy goals. Canada is funding short-term projects to repair and upgrade existing infrastructure, as well as disaster mitigation and adaptation projects (Infrastructure Canada, 2020[68]).

Appropriate maintenance and upgrades of existing infrastructure will also improve resilience. Inadequate maintenance can result in rapid deterioration of asset quality, require costly rehabilitation and interrupt essential services. Infrastructure systems that

can cope with highly uncertain future operating conditions require a dynamic approach to infrastructure planning, and decision-making approaches that can accommodate uncertainty, allow for flexibility, and enable adjustments to reflect changing conditions or new information (OECD, forthcoming[69]).

Figure 1.12. **Alignment of infrastructure plans with other policies among OECD countries, 2020**

Number of OECD countries in which long-term infrastructure plan explicitly considers how to align the infrastructure strategic vision with other policies



Note: Data for Australia, Denmark, France, Israel, Netherlands, Poland and Sweden are not available.

Source: OECD (2020[67]), *Survey on the Governance of Infrastructure*.

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There may be a tension between recovery and adaptation in infrastructure. The inclination to promote "shovel-ready" infrastructure investments in recovery packages must be balanced against the need for environmentally sustainable and climate-resilient infrastructure. Project prioritisation and selection must strike a balance between harnessing infrastructure to contribute to growth, while also reducing the vulnerability to future natural and human-made threats. Governments should use assessment methods that consider projects' contribution to environmental, social and resilience policy goals. For example, the EU Recovery and Resilience Facility provides EUR 672.5 billion in loans and grants to member states for investment and reforms, underpinned by national plans that must set out the expected results and ways to assess the progress towards the environmental, social and policy goals (European Commission, 2021[70]).

More broadly, governments must take account of the evolving technological and economic environment to enable a green recovery. The performance of long-lived, capital-intensive infrastructure is sensitive to shocks and changing economic and political circumstances. More robust future thinking and strategic foresight can help governments adapt their strategic planning to heightened uncertainty and promote sustainable investments. For example, the Dutch Futures Lab in the Netherlands is a cross-governmental initiative which assesses infrastructure projects under multiple scenarios, to identify circumstances or events that might affect the value-for-money of infrastructure investments. This creates a shared understanding of key uncertainties and a basis for more coherent response to major long-term challenges (Marsden et al., 2018[71]).

Public procurement should bolster long-term government resilience and tackle environmental risks, both through what is purchased and how systems are operated. A significant portion of recovery packages will be disbursed through public procurement, which represented 30% of total government expenditure prior to COVID-19. As in the private sector,

public procurement has long pursued just-in-time strategies, focused on cost optimisation and relying on the efficiency of global value chains. From a resilience perspective, COVID-19 has shown that efforts to deliver public services as efficiently as possible may reduce their resilience. A shift towards "just-in-case" strategies may have benefits, by building buffers and reducing the cost of disruptions if supply chains fail. For example, the UK green paper on transforming public procurement calls for a national procurement policy to support supplier diversity, innovation and resilience (UK Cabinet Office, 2020[72]).

Public procurement strategies can directly support recovery and environmental objectives. For example, Denmark is running a social housing renovation programme which creates jobs, while also addressing environmental objectives by ensuring that the retrofits address aspects such as insulation and energy efficiency. France has included a public housing renovation programme to enhance energy efficiency in its recovery plan. More agility in interactions with the market and procurement strategies supporting innovation could unleash businesses' potential to deliver diversified solutions. For example, Ireland established a central database that businesses can use to provide details about the goods or services they can supply or donate. Canada and Luxembourg set up similar platforms to facilitate interactions between buyers and suppliers for key goods and services (e.g. test kits, ventilators, nursing services, IT support). The United Kingdom called on medical device companies and manufacturers to come up with innovative solutions for ventilators (OECD, 2020[55]).

Building buffers and investing in preparedness

Stimulus packages and public investment are essential for the recovery, but when the time is appropriate, governments will eventually need to rebuild fiscal buffers to safeguard their ability to provide financial support in future crises. Strong and timely fiscal support from the start of the pandemic has played a vital role in supporting incomes and preserving jobs and businesses. A premature and abrupt withdrawal of support, as in the aftermath of the global financial crisis, should be avoided while economies are still fragile and growth remains hampered by containment measures. Continued income support for households and companies is warranted until vaccination allows a significant easing of restraints on high-contact activities. Stronger public investment in health, digital and energy infrastructure will also be needed to enhance resilience and improve the prospects for sustainable growth. Ensuring debt sustainability will be a priority only once the recovery is well advanced, but planning for management of the public finances that leaves space for public investment should start now (OECD, 2021[2]).

Rebuilding fiscal buffers requires monitoring and managing fiscal risks and contingent liabilities. Budgetary responses to COVID-19 have changed the fiscal risk environment for governments, placing greater emphasis on the need for effective monitoring and reporting of fiscal risk. While governments have shown that they were prepared to use balance sheet measures to complement the budgetary response to COVID-19, effective fiscal risk management frameworks and practices are a crucial part of that response. Over time, there may be a risk that some of the government loans issued as part of the response might not be repaid or that governmental guarantees are called upon. The incentives for effective monitoring and reporting practices are greatest in countries where the appropriations for grantees were for the current fiscal year, such as France, Germany and the United Kingdom.

Governments must retain redundancy and spare capacity in their delivery options, by building digital infrastructure but also retaining the infrastructure to deliver key government functions by other modes. As already described, digital infrastructure has proven a key

source of resilience in many areas of government operation during COVID-19, and has at least partially replaced physical infrastructure. The crisis has catalysed an increase investment, and in some cases is driving upgrades to digital infrastructure. For example, in Greece, the COVID-19 crisis has resulted in a stronger generalised push towards digitalisation in public administration, including for government services not directly affected by COVID-19 (OECD, 2020[73]). Governments are also facilitating the use of digital assets to provide wider public services. For example, the United Kingdom has committed to providing more than 1.3 million laptops and tablets to help disadvantaged pupils and students access remote education during the COVID-19 outbreak (UK Department for Education, 2020[74]).

From a resilience perspective, the lesson is that governments should retain multiple effective modes of delivery for key processes. Government resilience requires redundancy and spare capacity in how government operates. The characteristics of the COVID-19 crisis, requiring governments to physically distance staff as much as possible, made digital channels the most effective mode of delivery. They would be a less effective solution in a crisis which requires government staff to work together in specific locations and/or which directly disables digital infrastructure (e.g. earthquakes, floods or cyberattacks). Governments should aim to further build out their digital competence and capabilities (OECD, 2020[29]) but also retain their non-digital infrastructure (e.g. physical offices, landline communications) to provide redundancy and mitigate different kinds of crises. Governments should thus maintain multiple coherent service delivery channels, such as digital, in-person and telephone ("omni-channel" service delivery). As discussed further below, retaining traditional in-person channels of delivery also supports citizens who are less willing or able to use digital services, and can improve proximity and visibility of government for citizens.

Governments need to ensure better buffers of "essential goods", and consider carefully how to secure adequate supply in crises. Stockpiling alone cannot guarantee resilience, as future crises are not fully predictable, and so neither are the goods needed to deal with them. Governments should consider three lines of action to secure the provision of essential goods, to be actioned together before crises hit and create shortages. The first is strategic oversight, grounded on foresight scenarios and risk assessment to identify types and quantities of essential goods needed in case of crises, plan and co-ordinate agile responses along the supply chain, and communicate with citizens and stakeholders. Second, they should support the availability of essential goods, by leveraging their buying power, supporting private sector innovation and capacities, and stockpiling and pooling resources across borders. Third, governments should ensure their populations have access to essential goods, including through reinforcing the resilience of critical infrastructure required for production, trade, transport and distribution, and by co-ordinating last mile distribution. Regulatory policies are also essential, as agile regulation is key to facilitating surge production, allowing newcomers to enter the market to produce essential goods, and fostering international regulatory co-operation.

Anticipatory innovation and skills

Governments can improve resilience by ensuring they have better systems in place to identify and support resilience-enhancing innovations before crises occur. As discussed above, the COVID-19 crisis has seen governments innovating in many aspects of their operation, including policy making, human resources management, procurement, and data analysis and dissemination. In a complex world, not all risks are predictable, and innovation is a legitimate and necessary part of how governments absorb crises. However,

as emphasised above, many of the areas in which innovation has been needed since the outbreak of COVID-19 were identified prior to the crisis. Many of these innovations are now being retained in the recovery period, suggesting they have benefits beyond enabling the emergency response to COVID-19, and could have been implemented earlier.

Governments can improve resilience by improving their strategic foresight skills: creating functional and operational views of the future that allow for better anticipation and advance planning. More fundamentally, they should seek to improve resilience by encouraging innovation outside of crisis periods, and in particular, the wider use of anticipatory innovation approaches. Anticipatory innovation involves policy makers outlining the parameters of the futures they want or futures to avoid, and then experimenting in a real-world environment to determine effective policy to move towards the preferable scenarios (Tõnurist and Hanson, 2020[75]). For example, The Netherlands organises regular, repeated dialogues in which policy makers and stakeholders examine specific future environmental scenarios and issues, identify their different ambitions, and explore how to realise them. The United Kingdom has experimented with a "digital sandbox" for innovative financial sector firms. This digital testing environment allows firms to test and develop mechanisms to counter issues such as preventing fraud and supporting vulnerable customers (UK Financial Conduct Authority, 2020[76]). Applied effectively, including in concert with new technology, these approaches could enable more of the innovation needed to absorb crises to take place before they happen.

Governments can improve their resilience by cultivating skills and capabilities among public sector employees to solve complex problems and innovate. While no one skillset makes workers resilient, public services can focus on developing a workforce rich in the skills that contribute to resilience.[4] Governments cannot fully predict the shocks and crises they will face in the future, so can maximise resilience by investing in their workforces "general purpose" skills and capabilities to solve complex problems i.e. understand the problem faced, think creatively to define potential solutions, test these and co-operate with others to put them in to practice.

Governments should lock in the increased co-ordination achieved during COVID-19, identifying practices and staff skills that have been effective in increasing flexibility, agility and effectiveness in decision making. Governments should also ensure public servants understand the machinery of government and complex service delivery systems, and proactively build the relationships needed to co-ordinate with key actors in other areas of government.

Many of the key known risks which governments will face in the coming decades are transnational in nature. Governments will need to be able to effectively engage with each other to design and implement shared solutions. Resilience will thus require governments to have effective international engagement, co-operation and dialogue skills. Skills in languages and cross-cultural communication will also be important.

Oversight and integrity

Governments must address any integrity risks created by lowered standards of oversight and consultation during COVID-19, and build future resilience by establishing emergency systems in advance to mitigate future crises. As described above, the COVID-19 crisis has obliged governments to take quick decisions and actions in many areas, including policy, regulation, budgeting and public procurement. The rapid, high-volume outlays of economic support, stimulus packages and social benefit programmes have created a stress test for integrity systems, particularly internal control, oversight, audit and risk management. This

has both amplified existing risks to integrity systems and created new ones. Past crises have shown that emergencies and subsequent responses create opportunities for integrity violations in areas including emergency procurement, allocation of economic recovery and social benefit programmes, and delivery of services (such as contracting and administration of vaccines). Fraud and corruption can seriously endanger the effectiveness of government responses. Scandals and perceptions of undue influence and unethical practices can undermine trust in government and endanger citizen support for reforms.

These risks need to be managed through short-term and longer-term measures to safeguard public integrity in the design and implementation of policy responses (OECD, 2020[57]; OECD, 2020[77]). During the initial pandemic response, in a number of countries, government bodies issued advice and guidance for individuals and businesses to help safeguard relief funds from fraudulent schemes, including Canada, the United States and France (Tasker, 2020[78]; Kreidler, 2020[79]; Le Figaro, 2020[80]; ICAEW, 2020[81]). In the United States, the Recovery Accountability and Transparency Board created an analytical platform that could identify recipient anomalies, and then tasked the inspector general for the particular programme to address issues. This helped to prevent both fraud and corruption, while also building the capacity of the inspector general functions within line ministries (Zagorin, 2020[82]) A public platform, Recovery.gov, allowed journalists and citizens to track taxpayers' money and see how the government was spending it.

Looking to the longer term, building a mature integrity system that promotes a culture of integrity, along the lines of the *OECD Recommendation of the Council on Public Integrity* (OECD, 2017[83]), is key to future resilience. Several aspects of safeguarding integrity and accountability are of relevance:

- **Preparedness and planning for managing risks and tolerances**: Planning and preparedness should pre-emptively take into account the need for oversight, control and risk management, as these objectives are often perceived to conflict with programme objectives. To minimise ad hoc decision making, particularly in times of crisis, planning can include defining the risk tolerances and acceptable trade-offs management is willing to make, such as easing specific controls to facilitate timely disbursement of funds (i.e. planned resilience).
- **Internal control**: The effectiveness of planning and preparedness measures depends in large part on the extent to which management responsibility over controls is articulated, adopted and effectuated. Resilient organisations have a form of governance that is characterised by distributed control. In the integrity context, as seen during the current crisis, this manifests in a need to enhance management control and ownership over the internal control environment.
- **Information management**: How information is managed and used is widely accepted to be a key determinant of organisational resilience. Many OECD member and non-member countries often fail to disseminate the results of risk assessments, particularly of emerging risks. Although governments in most countries conduct risk assessments, not all of them have developed the policies, practices and culture to use the results effectively. Communicating the results of risk assessments to the key stakeholders who can use that information to shape policies or make management decisions can help to improve the resilience of integrity systems.
- **Ensuring that decision making is evidence based**: The crisis has demonstrated the value of investing in IT infrastructure and data-driven approaches, for addressing both everyday challenges and acute shocks. Many of the countries which were best prepared to set up

transparency portals, track stimulus funds and harness data for oversight were those that had already invested in the necessary infrastructure, capacity and skills.

Trust and transparency

As future shocks occur, the most resilient governments will be those with effective and fair mechanisms to engage citizens in designing and co-implementing solutions. As emphasised above, standards for transparency, evidence and participation have been lowered in many areas of government during the COVID-19 crisis. They have also been changed, for example by using timely but unofficial evidence, or through consultation with rapidly established expert and scientific panels. As the shock of COVID-19 begins to recede, governments must adapt how they operate in order to build public trust and better support the functioning of healthy democratic systems. This section outlines key reforms to do this.

Public trust in government plays a critical role in government effectiveness and resilience. Measures of trust capture people's confidence that institutions will continue to deliver, safeguard the public interest, and protect current and future generations. Numerous studies have identified trust, both in institutions and in other people, as a key ingredient of social and economic progress (Algan and Cahuc, 2014[84]). People's trust in government institutions helps the implementation of policies, by supporting prioritisation of action, generating initial support more rapidly, increasing compliance with new practices, reducing enforcement costs, etc. In the COVID-19 pandemic, societies with higher levels of institutional trust have achieved greater compliance with measures needed to stop the spread of the virus (Bargain and Aminjonov, 2020[85]). In turn, this has allowed a greater focus on efforts to soften the socio-economic consequences of restrictive measures and to learn lessons that could inform policy responses to future shocks.

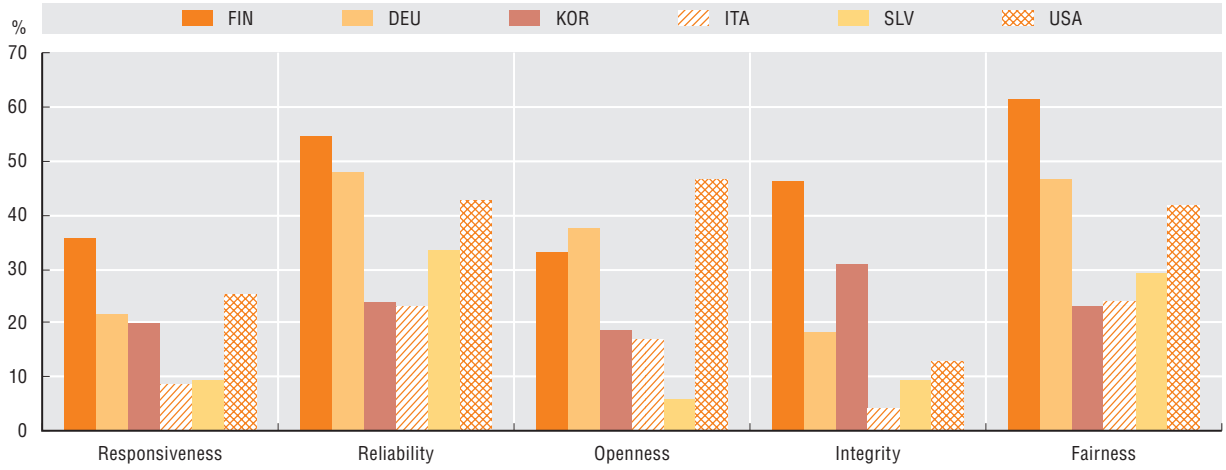
There is a growing consensus that lack of trust in government in recent years has been undermining the legitimacy of public institutions, nurturing political polarisation and favouring populist movements (Devine et al., 2020[86]). Public trust in government suffered significant damage following the 2008-09 global financial crisis and only in some countries has it recovered to pre-crisis levels (OECD, 2019[87]). A sense of inequity and unfairness both in economic and social terms, and in political and representativeness terms, pre-dates the COVID-19 crisis. In 2018, only 40% of people surveyed in 26 OECD countries felt that they could have any influence in what the government does (Chapter 12). The OECD reported a "clear sense of dissatisfaction and injustice" over social policy. Across 21 OECD countries, 60% of people felt that the government did not incorporate the views of people like them when designing or reforming public benefits (OECD, 2018[88]).

2020 has created more challenges for public trust in government, and for civil liberties and democratic systems more generally. After an initial "rally round the flag" effect in the early stages of COVID-19, most countries have seen an erosion of trust in government and public institutions during 2020 – see Chapter 12, and also Eurofound (2020[89]) and Ipsos (2021[90]). Corruption and fraud scandals overshadowed government responses in many countries. Some commentators have suggested that the unprecedented curbs on civil liberties in 2020 (curfews, movement restrictions, limiting or banning gatherings) went beyond what is permissible under international law for limiting rights during public health emergencies (Narsee, 2021[91]). A recent citizen survey ranked governments as both less ethical and less competent than businesses, the media and non-governmental organisations (Edelman, 2021[92]). There have been widespread social protest movements in many countries, including OECD countries (Rachman, 2021[93]; Trian, 2021[94]).

Rebuilding and maintaining their citizens' trust will require governments to understand and act upon its main determinants. The OECD assesses five drivers that can improve trust in government: 1) responsiveness in delivering public services; 2) reliability in anticipating new needs and safeguarding people, 3) integrity; 4) openness; and 5) fairness (OECD, 2017[95]). Wide variation in these drivers has been found across countries and across different government functions. For example, prior to the pandemic, only 23% of people in Italy were confident their government would be reliable in dealing with shocks such as natural disasters or the spread of contagious diseases, while the figure was 54% in Finland in 2020 (Figure 1.13).

Figure 1.13. **Drivers of trust in government in recent OECD surveys**

Percentage of people providing a positive answer, by dimension and country



Notes: The scale used for Finland is 1-10. The reliability question for Finland is on health shock. In the case of Finland, data are based on the special module on Trust in Public Institutions Survey, fielded by Statistics Finland in the framework of the Consumer Confidence Survey in August 2020. Data for Germany, Italy, Slovenia and the United States are from 2017 and were collected through the Trustlab project. Data for Korea are also from 2017 and were collected by the Korean Development Institute in co-operation with the OECD. Percentage of the population answering 7-10 for each of the drivers.

Source: OECD/KDI (2018[96]), *Understanding the Drivers of Trust in Government Institutions in Korea*, *https://dx.doi.org/10.1787/9789264308992-en* for Korea; OECD (2021[97]), *Understanding the Drivers of Trust in Government Institutions in Finland*; Murtin et al. (2018[98]), "Trust and its determinants: Evidence from the Trustlab experiment", *https://dx.doi.org/10.1787/869ef2ec-en* for others.

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Increased responsiveness and reliability will help countries to build a resilient recovery and enhance people's trust. In Korea and Finland, OECD data show that government's responsiveness and reliability are the main drivers of trust (OECD/KDI, 2018[96]) (OECD, 2021[97]). Reliability of public services is also related to the actual or perceived long-term sustainability of policies, which in turn enhances people's trust and support for reforms. For example, recent evidence from Korea, Spain and Sweden shows that most people believe that mitigating climate change will make future people's lives better and that debt could be used for that purpose, but at the same time they are not willing to support future-oriented policies since they have little trust that governments will actually deliver on climate policies (Fairbrother et al., 2020[99]).

Countries' experiences during the COVID-19 crisis offer evidence for the robustness of the OECD trust policy framework in identifying concrete policy actions to preserve trust during the pandemic, and also areas that governments should pay attention to in order to build resilience. Governments will need to increase support for policies and reforms for the recovery by informing and engaging the public, and anticipating and discussing the distributional impact of policies on different groups of people. Specifically, in recovery and

adaptation from COVID-19, governments should build resilience by adapting how they operate in three key areas: 1) ensuring openness and responsiveness in how interests are represented and aggregated in public policy; 2) ensuring inclusion and fair treatment in policy design; and 3) tackling mis- and disinformation.

Representation and interest aggregation

Parliaments play a key role in representing and aggregating societal interests, and will be important during the recovery. Parliaments already play a substantive role in authorising expenditures and revenue raising. In two-thirds of OECD countries, parliament either debates or approves medium-term budgetary frameworks, and in over half of countries, parliament debates long-term perspectives (OECD, 2019[63]). However, as governments commit to large-scale recovery packages and reforms, engaging with parliament beyond their traditional fiscal role will be important. Engaging parliaments in the full budgetary cycle, and particularly in medium-term and long-term sustainability analysis will help to sustain the credibility of multi-year commitments as well as consensus on the major forward-looking policy options.

Parliaments imperfectly represent society. Globally in recent years, on average across OECD countries, just under one third of parliamentarians were women (OECD, 2019[100]) and around one fifth were under the age of 40 (OECD, 2018[101]). As such, improving representation will require broader approaches to engage citizens, understand diverse viewpoints and needs, and build public trust.

Governments should increase efforts to involve citizens in policy making, both to increase trust and help prioritise reforms during the recovery. The recovery offers a rare opportunity to improve policy in a wide range of areas. Inclusive policy making, which allows diverse interests, needs and preferences to shape future policies, should be a priority. Inclusive policy making includes mechanisms for citizen consultation and participation, opening up government data and using data ethically, using digital technologies and data to design and deliver public services that respond to citizens' needs and expectations, and developing initiatives to promote transparency and accountability. Additional measures could be developed to change how citizens experience public participation, the use of data and digital services, and public communication.

Promoting open government should help to improve quality of design, and also ensure that policies align with the public's needs, values and priorities. Decisions surrounding long-term government and social resilience involve values, complex trade-offs, and long-term decisions. Representative deliberative processes like citizens' assemblies can be helpful innovations and well suited to this challenge, when appropriately designed. The OECD Database of Deliberative Processes has identified almost 300 examples of representative deliberative practices (OECD, 2020[102]). These have shown that citizens can shape long-term spending decisions, such as the Melbourne People's Panel, which identified the priorities for the city's 10-year, AUD 5 billion plan. The cities of Nantes in France, Milan in Italy and Bristol in the United Kingdom have each convened a group of randomly selected citizens to deliberate and develop informed recommendations for their COVID-19 recovery plans.

Governments will need to recognise the digital divide in willingness and/or ability to interact with government online. OECD countries have high levels of internet coverage: 97% of the population have access to a 4G network and 87% of households have broadband connections. However, pre-COVID, only 58% of adults had used digital technologies to interact with public authorities over the past 12 months. Only 70% of 55-74 year olds, and 72% of those in the lowest income quartile had accessed the Internet in the last three months

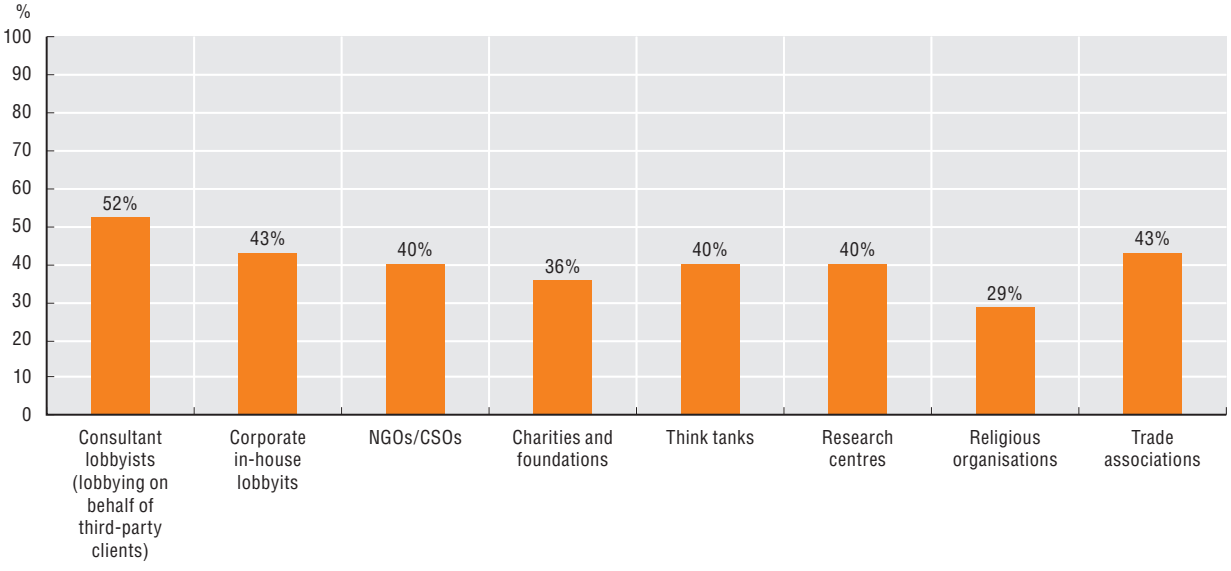
(OECD, 2019[103]). Resilience will require governments to offer multiple effective channels for engaging with citizens and for service delivery, while also investing in digital literacy from early stages of education.

Governments should improve the transparency and governance of lobbying procedures. Recoveries from previous shocks suggest that lobbying by interests with connections to policy makers can lead to biases in public policy. During previous economic stimulus efforts, firms which actively lobbied were more likely to receive support, and also to receive more and quicker support (Blau, Brough and Thomas, 2013[104]). In some countries, political connections tend to influence the allocation of financial assistance and, following bailouts, politically connected companies underperform relative to non-connected firms (Faccio, Masulis and McConnell, 2006[105]; Igan and Lambert, 2018[106]). Biased support packages and policies have a negative impact on social and economic resilience after crises (Hasen, 2012[107]).

Lobbying by businesses most affected by a crisis is a legitimate way to grant access to emergency response decisions. However, the need for rapid responses during the COVID-19 crisis has highlighted pre-existing risks in the governance of lobbying. Information from lobbying registers and media reports indicate influence and lobbying activities related to COVID-19 increased considerably during the first months of the crisis (Office of the Commissioner of Lobbying of Canada, 2020[108]). Early reports suggest that stimulus packages may have created advantages for businesses with existing relationships with lenders and the resources to navigate institutional and administrative complexities in some settings (Warmbrodt, 2020[109]; Tankersley, Cochrane and Flitter, 2020[110]). Some lobbying focused on advancing positions that some interest groups had been promoting before the crisis (Vogel, 2020[111]). These risks are exacerbated by a lack of proactive publication of information about who aimed to influence key decisions and how. Less than half of countries have transparency requirements covering most of the actors that regularly engage in lobbying (Figure 1.14).

Figure 1.14. **Actors covered by transparency requirements on their meetings and communications with public officials**

Across adherents to OECD Recommendation on Principles for Transparency and Integrity in Lobbying, and respondents to the 2020 OECD Survey on Lobbying



Source: OECD (2021[112]), Lobbying in the 21st Century: Transparency, Integrity and Access,

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Building public trust will involve adapting government functions to allow more balanced and transparent aggregation of interests, to prevent recovery from being undermined by inefficient programmes or inequitable policies.

- While a proportionate level of flexibility should be permitted in crises, a minimum level of inclusiveness needs to be established and maintained. Expedited consultation can take place with stakeholders particularly affected, as well as more frequent and more informal consultations.
- Post-implementation reviews, already planned for many regulatory measures, can help to maintain trust.
- Governments should apply transparency measures to all actors aiming to influence decision-making processes. Online registries, such as the Canadian Registry of Lobbyists, are an important tool (Officer of the Commissioner of Lobbying of Canada, n.d.[113]).
- Governments need to take a comprehensive approach to defining lobbying and lobbyists, to cover all forms of influence on policy making, including think tanks, research, grassroots organisations and advisory and expert groups.
- Countries should provide public officials with an integrity framework for lobbying and other influence practices.
- Improving standards and guidance will help lobbyists to engage in a way that does not raise concerns over the integrity and inclusiveness of policy making.

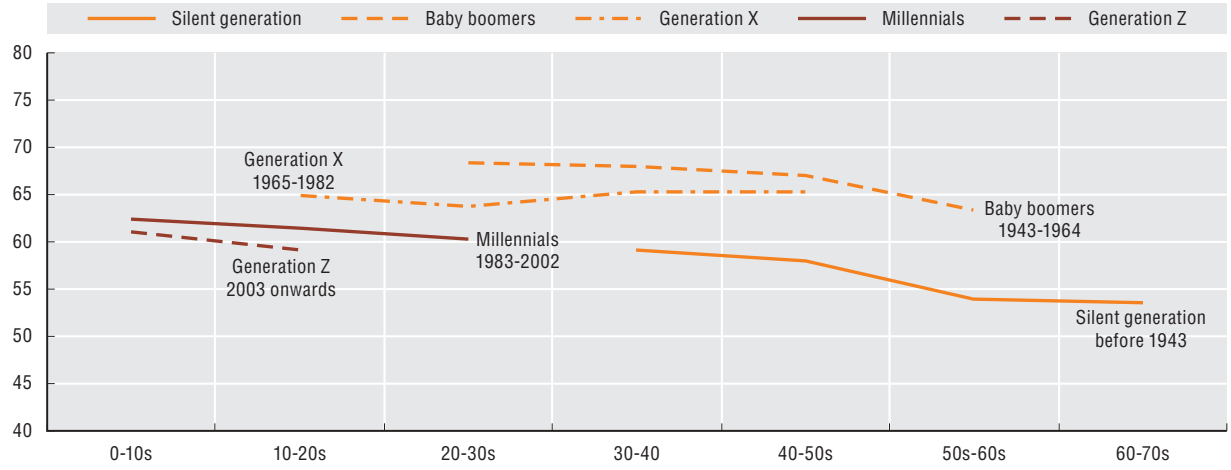
These issues are treated in more detail in the report on the implementation of the OECD Recommendation on Principles for Transparency and Integrity in Lobbying (OECD, 2021[112]).

Inclusion and fair treatment in policy design

Governments should seek to improve inclusion and fairness in citizen outcomes. Policy design and implementation should actively tackle inequality. Dissatisfaction with government and the feeling that government decisions are not serving the public interest, is being matched by growing income inequality between citizens. Pre-pandemic, the average disposable income of the richest 10% of the population across OECD countries was around 9.5 times that of the poorest 10%. This had increased from 7 times 25 years ago. There is a growing risk of income inequality becoming entrenched. Children whose parents did not complete secondary school have only a 15% chance of making it to university, while among those with at least one parent who achieved tertiary-level education the figure is 60% (OECD, 2018[114]).

Inequality has increasingly taken on an intergenerational dimension. As Figure 1.15 shows, since the "baby boomer" generation, each new generation has seen its chances of belonging to the middle-income class fall (OECD, 2019[115]; OECD, 2020[116]). COVID-19 is likely to have worsened this, through systematic, deep and disproportionate impacts on employment, education and wellbeing of young people (ILO, 2020[117]). Gender has also persisted as an important category of inequality. Pre-COVID, the gender pay gap averaged 12.8% across OECD countries ((OECD, 2019[118]; OECD, 2017[119]). COVID-19 is again likely to have worsened this, with women having shouldered much of the extra care burden at home while also facing high risks of job and income loss (OECD, 2020[120]).

Figure 1.15. **Percentage of population in middle-income households by generation and stage in life cycle**



Note: Silent generation: born before 1943, Baby boomers: born 1943-64, Generation X: born 1965-82, Millennials: born 1983-2002; Generation Z: born since 2003. Middle-income households are those with with incomes between 75% and 200% of the median. OECD average based on available data from Canada, Denmark, Finland, France, Ireland, Italy, Luxembourg, Mexico, the Netherlands, Norway, Spain, Sweden, the United Kingdom and the United States.

Source: OECD (2019[115]), *Under Pressure: The Squeezed Middle Class*, *https://dx.doi.org/10.1787/689afed1-en*.

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Governments seeking to build trust, resilience and healthy democratic systems need to ensure their policy-making processes more actively address the primary dimensions of inequality. Technical tools already exist to allow governments to better understand the differentiated impact of policies on different groups of citizens, such as fiscal incidence analysis (Lustig, 2018[121]). Other tools, such as gender budgeting, can help to ensure policy actively addresses inequality (Stotsky, 2016[122]). Governments should ensure that disaggregated information about how policies will affect different groups in society is systematically integrated into policy design and evaluation. For example, Canada has examined how government spending and policies to recover from the COVID-19 crisis will affect people across social groups, acknowledging intersecting identity factors such as gender and age.

Tackling mis- and disinformation

Efforts to build government resilience and support healthy democracies should seek to better institutionalise and future-proof responses to mis- and disinformation. Many OECD countries were inadequately prepared to deal with disinformation during the crisis. Among 27 OECD member countries, only 11 CoGs had official documents, policies or frameworks in place to guide their responses to mis- and disinformation at the outset of the crisis. Only 4 of 18 ministries of health had similar documents or benefited from government-wide ones (OECD, 2020[47]). While this does not mean that governments had not been engaging with the topic, they may have been inadequately prepared to face the wave of health misinformation since the onset of the pandemic. In many countries, governments were initially hesitant to communicate decisively, including about the uncertainties surrounding the pandemic and this left room for misinformation to proliferate. Reports suggest that misleading rumours about how contagion occurred and the efficacy of social distancing led some people to continue activities that contravened guidance (Seitz, 2020[123]), and led others to damage infrastructure (Satariano and Alba, 2020[124]). More broadly, mis- and disinformation can undermine the operation of democratic systems by hindering the ability of the public to

engage in communication characterised by the use of facts and logic, moral respect, and democratic inclusion (McKay and Tenove, 2020[125]).

Combatting the divisive role of mis- and disinformation requires government action on multiple fronts. Effective public communication can promote confidence in the effectiveness and safety of vaccines by providing accurate, trusted and timely information (OECD, 2021[126]) and by working with "trusted voices" to amplify the reach of reliable content. For example, Canada is working closely with faith and community leaders to create and relay messages according to local needs, encouraging two-way dialogue with the public (Government of Canada, 2020[127]).

Public communicators can play a key role in tracking and responding to false or misleading narratives. For example, the United Kingdom has established a Rapid Response Unit to identify and address COVID-19 related misinformation. The unit helps public communicators recognise, monitor and respond to potential harmful content strategically. Building resilience will also require governments to mobilise and engage with citizens and stakeholders through whole-of-society approaches. Prior to the crisis, 20 CoGs in OECD countries were already consulting with external partners to combat misinformation. For example, Italy has established a task force to formulate interventions against misinformation with media and civil society (OECD, 2020[128]).

Efforts must also include broader policy measures to strengthen the media and information ecosystem (OECD, 2020[128]). Governments need new mechanisms to enforce regulations to tackle the spread of mis- and disinformation on new and evolving communication platforms, including promoting transparency and competition. This will require a holistic, whole-of-government effort to manage trade-offs, and support freedom of speech and expression effectively. Policies to support a diverse and independent media sector through tax incentives and subsidies, such as in Austria, Canada, France and Sweden, may also be of value. Many have also supported public service broadcasters. Finally, working on the demand side of information will be crucial; for instance, media literacy initiatives can help children and adults to understand different media and messages, evaluate information, and be more cautious before amplifying potentially inaccurate or misleading content (Matasick, Alfonsi and Bellantoni, 2020[129]).

Governments should consider strengthening their frameworks for managing citizens' personal data, allowing citizens more transparency and control. The contact tracing systems used to help manage the COVID-19 pandemic have involved collecting and processing citizens' personal data in unprecedented ways. This has underlined issues of privacy, safeguards and controls in how governments use citizens' data. Building trust will involve securing individuals' agency over their own data. Governments should ensure they have clear and open rules in place for data management and digital tools, to give more transparency and control to citizens over what data governments hold about them and how it is used. To complement their existing data protection and privacy regulations, governments have been increasingly working on values-based instruments such as data ethical frameworks (e.g. in the United Kingdom and the United States). It may be helpful to adopt more formal data ethics frameworks to support their practical implementation, such as the OECD's Good Practice Principles on Data Ethics in the Public Sector (OECD, 2021[130]).

Notes

1. The conceptual framework of Government at a Glance includes public employment and public finance, respectively, as the labour and capital inputs to government. This chapter additionally discusses the importance of assets and information as explicit inputs. The COVID-19 crisis is bringing to the fore that this more expansive definition of "capital" inputs may be needed to analyse government functioning in future. During COVID-19, governments have required data and information to make policy and decisions (e.g. infection rates, job losses) and a range of assets to deliver (e.g. hospitals, stockpiles, internet infrastructure).
2. Government at a Glance's conceptual framework presents the operation of government in a form analogous to an economic production function. This suggests a more technical rendering of the concept of a resilient government i.e. a resilient government is one which can effectively substitute inputs for each other, and/or identify new production processes, such that it can continue to produce the same outputs for citizens when disruption occurs. Both renderings of the concept are applied in sections 1.2 and 1.3 of this chapter.
3. Note that this spare capacity was generated partly by substituting public inputs with private inputs i.e. many public servants provided their own office spaces, internet connections, etc, during 2020.
4. Recommendations based partly on the OECD *Government after Shock* event. The event involved over 5 500 citizens, practitioners, stakeholders and government leaders in over 65 local and thematic conversations, to think critically about the implications of the COVID-19 crisis, and explore how to steer government and society towards preferred futures. This was followed by a global forum with government leaders (OECD, 2020[131]).

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2. PUBLIC FINANCE AND ECONOMICS

General government fiscal balance

The fiscal balance is the difference between a government's revenues and its expenditures. It shows the extent to which expenditure in a given year is financed by the revenues collected in that year. When the government spends more than it collects as revenues, it has a fiscal deficit; when it spends less, it has a fiscal surplus. The primary balance is the fiscal balance excluding net interest payments on public debt. That is, the primary balance is the difference between the amount of revenue a government collects and the amount it spends on providing public goods and services. A country has a primary deficit if it is spending more on public goods and services than it collects in taxes. This means the government must borrow money to pay for the everyday public goods and services it provides for citizens, which may not be sustainable. The primary balance is thus a critical indicator of the short-term sustainability of a government's finances.

The average general government fiscal balance in OECD countries reached -8.7% of GDP in 2009 due to the 2007-08 economic crisis. In its aftermath, fiscal deficits gradually fell, reaching an average of -3.2% of GDP in 2019. Of 26 OECD countries for which data are available for 2020, all had budget deficits, and all of them were larger than in 2019; 18 of them had deficits of more than -5% of GDP. This large increase in fiscal deficits was a necessary response to the COVID-19 crisis, and allowed governments to spend large amounts on health, income support and other measures to support citizens and businesses. Deficits also increased due to economies and tax revenues shrinking with the enforced closure of many economic activities. Among the 26 OECD countries with data available, the largest fiscal deficit in 2020 was in the United Kingdom (-12.3% of GDP) and the smallest was in Denmark (-1.1% of GDP). Denmark entered the crisis with the second highest fiscal surplus in the OECD, after Norway, and has been able to supply significant fiscal support while still maintaining a moderate deficit. Canada had the largest deterioration in its fiscal balance in 2020 (-11.2 percentage points of GDP), and Sweden the smallest (-3.7 p.p.) (Figure 2.1).

Primary deficits also grew sharply in 2020. In 2019, the average primary balance across OECD members was -1.2% of GDP, although 23 of 36 OECD countries had a primary surplus. All of the 26 OECD countries with data available for 2020 had primary deficits, and all had a worse primary balance than in 2019. For 16 of them, the primary deficit was more than -5% of GDP. This indicates that in 2020, governments were borrowing money to pay for some of the goods and services they were providing to citizens and businesses, including their COVID-19 responses. While the crisis is ongoing, governments should not cut back on necessary support but large primary deficits are unlikely to be sustainable over the longer term, as they will lead to increasing public debt. Governments will eventually need to make choices on spending and taxes in order to return to a primary surplus or neutral position. As with fiscal deficits, the United Kingdom had the largest primary deficit in 2020 (-10.7% of GDP) and Denmark the smallest (-1.3%). The largest deterioration in primary balance in 2020 was in Canada (-11.2 p.p. of GDP) and the smallest in Sweden (-3.7 p.p.) (Figure 2.2).

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 A 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

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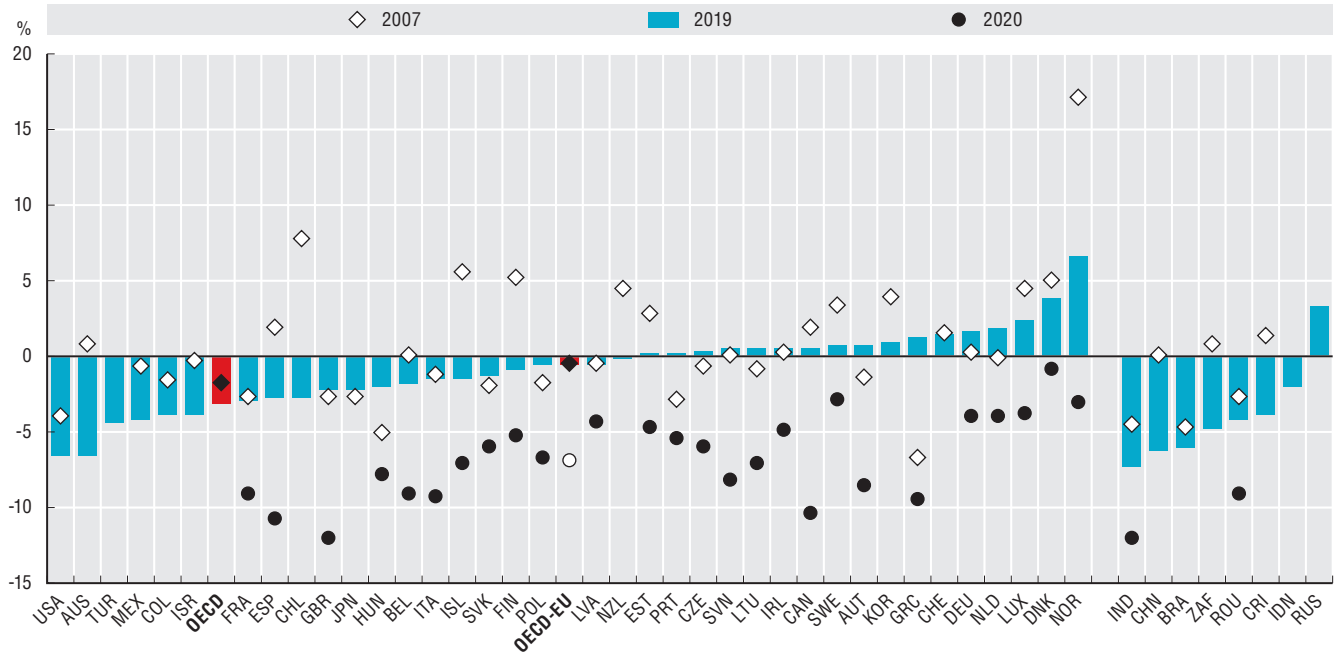
Figure notes

Data for Japan, Brazil and Russia are for 2018 rather than 2019.

2.1. Data for Chile and Turkey are not included in the OECD average because of missing time series or main non-financial government aggregates.

2.2. Data for Chile are not available. Data for Turkey are not included in the OECD average because of missing time series.

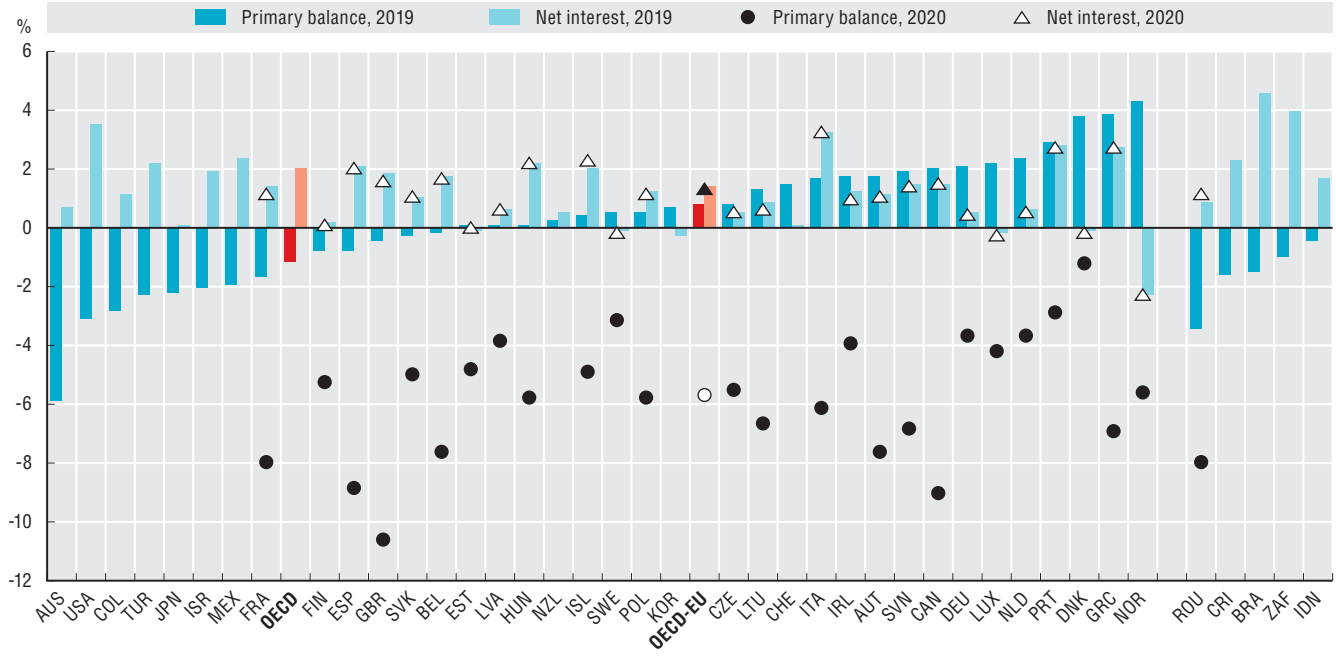
2.1. General government fiscal balance as a percentage of GDP, 2007, 2019 and 2020



Source: OECD *National Accounts Statistics* (database). Data for China and India are from *the IMF Economic Outlook* (April 2021).

StatLink https://doi.org/10.1787/888934256634

2.2. General government primary balance and net interest spending as a percentage of GDP, 2019 and 2020



Source: OECD *National Accounts Statistics* (database).

StatLink https://doi.org/10.1787/888934256653

General government net saving

Net saving is the difference between current revenues and current expenditures. It is the fiscal balance without taking into account capital expenditures, such as investment expenditure or capital transfers. Net saving is associated with the "golden rule" of public finance, which advocates that, over the course of an economic cycle, current expenditures should be fully paid for by current revenues. This rule implies that public debt should only be issued to pay for investments which promote growth. Operating in accordance with this rule helps governments maintain a sustainable fiscal stance.

In 2019, 21 of 36 OECD countries recorded positive general government net savings, although the OECD average was -2.3% of GDP. Net savings worsened substantially in 2020. Among the 26 OECD countries for which data are available, 24 had negative net savings in 2020, and all had lower net savings than in 2019. This sharp fall was due to high levels of current expenditure and falling tax revenues caused by the COVID-19 crisis. Among countries with data available, the United Kingdom (-10.4% of GDP) and Spain (-10.1% of GDP) had the lowest net savings rates in 2020. Only Denmark (1% of GDP) and Norway (0.1% of GDP) recorded positive net savings. These were the two countries with the highest net savings in 2019, and both were able to maintain positive net savings in 2020 while still providing sizeable fiscal policy responses to COVID-19 (Figure 2.3). Denmark entered the crisis on a strong economic footing. Norway maintains a fiscal rule under which revenues from offshore petroleum production (i.e. withdrawals from the Norwegian Wealth Fund) can only cover the non-oil budget deficit up to a ceiling. COVID-19 has been a major shock to public finances, and, as with fiscal balances, it is appropriate to maintain negative net savings in order to fund the crisis response. However, maintaining the golden rule over the course of the economic cycle implies future net savings will be needed to offset the resulting net dissaving.

The difference between government net savings and government net lending/borrowing (i.e. the fiscal balance) indicates the size of general government capital expenditures. These may be either government investment expenditures or outflows caused by capital transfers, e.g. to publicly owned enterprises or financial institutions. In 2019, average national savings in OECD countries were -2.3% of GDP, while the average budget deficit was -3.2% of GDP. This implies average government capital expenditures across the OECD were 0.9% of GDP. In 2020, 23 out of 26 countries for which data are available are estimated to have increased national investment (Figure 2.4). This is not necessarily a reaction to COVID-19. Some of the increase may reflect extra investment in infrastructure in critical areas, such as health or IT, or spending to stimulate the economy. However, it is likely that some of the apparent increase is due to public investment levels being held constant in 2020 while GDP fell (for instance if governments were partway through multi-year investment projects, such as major infrastructure projects), or because investment simply fell more slowly than GDP.

Methodology and definitions

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 A for details). Using SNA terminology, general government consists of central government, state government, local government and social security funds.

Government net saving represents current revenues minus current expenditures including depreciation. In the case of gross saving, the costs of depreciation have not been deducted from current expenditures. Gross saving plus net capital transfers (i.e. capital transfers received minus those paid) minus gross investments (i.e. gross capital formation and acquisitions less disposals of non-produced non-financial assets) equals the fiscal balance of net lending/borrowing. Net lending/borrowing reflects the fiscal position after accounting for capital expenditures: net lending, or a government surplus, means that government is providing financial resources to other sectors, whereas net borrowing, or a government deficit, means that government on balance requires financial resources from other sectors to finance part of its expenditures. Compared to net lending/borrowing, net saving has the advantage of avoiding possible one-off distortions coming from extraordinary and possibly very large capital transfers. It also avoids putting too much pressure on government investments in times of austerity programmes and increasing deficits.

Further reading

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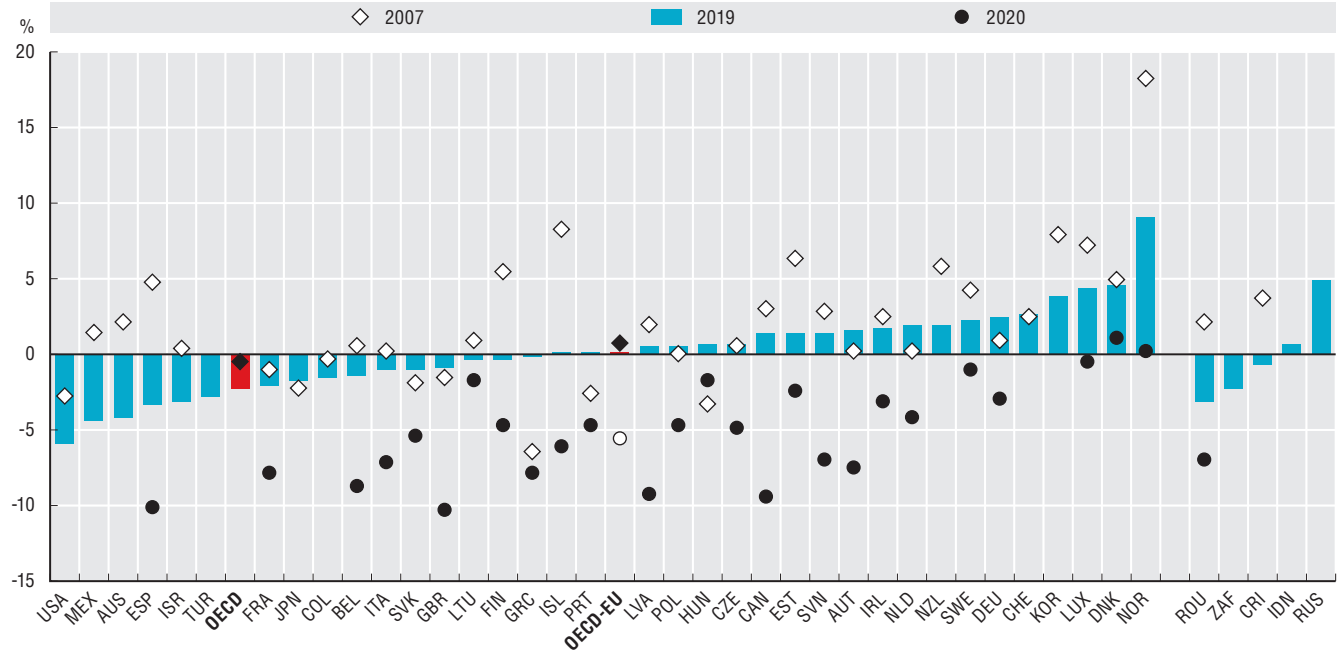
Figure notes

Data for Chile are not available. Data for Turkey are not included in the OECD average because of missing time series. Data for Japan and Russia are for 2018 rather than 2019.

G.1. (Net capital transfers as a percentage of GDP, 2007, 2019 and 2020) is available online in Annex G.

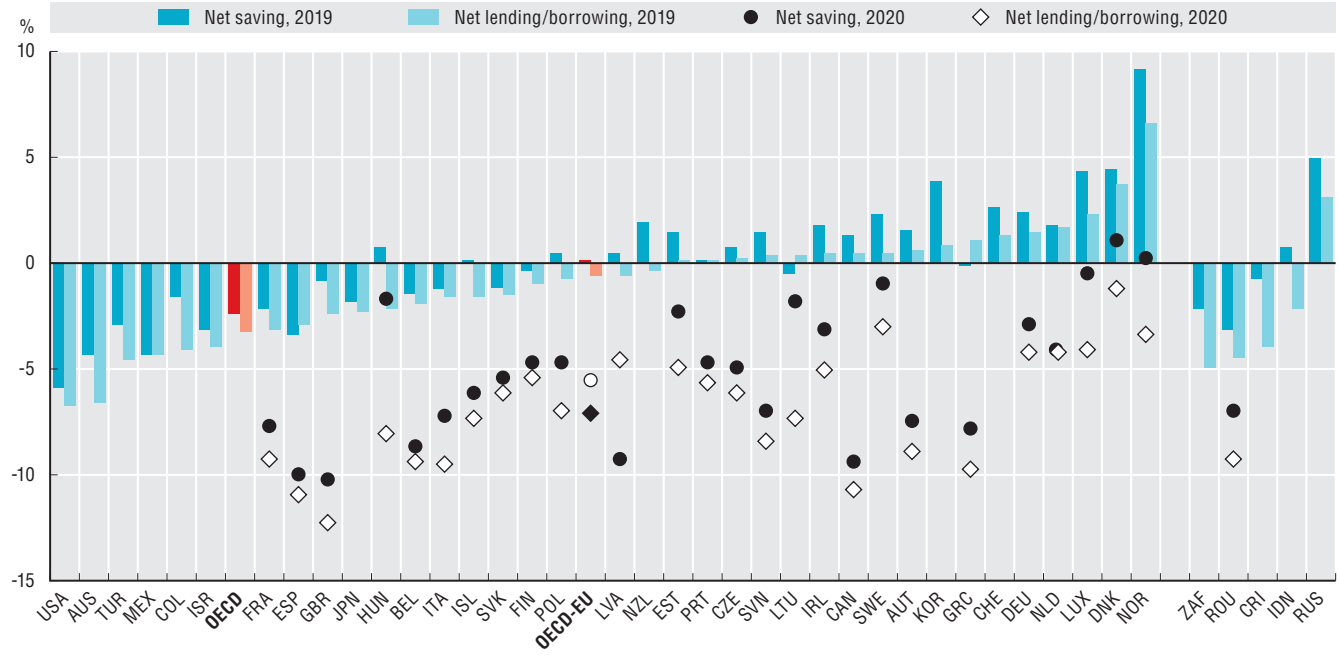
2.3. General government net saving as a percentage of GDP, 2007, 2019 and 2020



Source: OECD National Accounts Statistics (database).

StatLink https://doi.org/10.1787/888934256672

2.4. General government net saving and fiscal balance as a percentage of GDP, 2019 and 2020



Source: OECD National Accounts Statistics (database).

StatLink https://doi.org/10.1787/888934256691

General government structural balance

The structural balance is used to examine the long-term sustainability of public finances. Fiscal balances can be significantly affected by economic cycles and one-off events. 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 of these effects have been visible during COVID-19. This means that general government fiscal balances do not provide a full picture of governments' underlying fiscal position. The general government structural balance is a measure of the fiscal balance which takes the economic cycle into account. The structural balance is the budget balance which a government would have with its current policies if the economy was operating at its full potential ("potential GDP"). A government with a structural (primary) deficit would still have a (primary) deficit even if the economy was operating at full potential. This indicates its current tax and spending policies are not sustainable in the long run.

In 2019, the average general government structural balance across OECD countries was -3.1% of potential GDP, the same value as in 2007, and 22 out of the 33 OECD countries with available data had a structural deficit. In 2020, structural balances worsened sharply, to an average of -7.1% of potential GDP. All 33 countries except Denmark and Portugal are estimated to have had a structural deficit in 2020. The largest structural deficit in 2020 was in the United States (-12.3% of potential GDP). It had already entered the COVID-19 crisis with the largest structural deficit among OECD countries, driven partly by underlying spending pressures, including on programmes such as Medicaid, Medicare and Social Security. The only countries to improve their structural balances in 2020 were Iceland (+0.3 p.p. of potential GDP) and Portugal (+0.5 p.p.). The greatest deterioration was in Australia (-8.5 p.p.) (Figure 2.5).

In 2019, the general government structural primary balance across OECD countries averaged -1.3% of potential GDP, slightly worse than its value of -1.0% in 2007. Of the 33 OECD countries with available information, 16 had a structural primary deficit. In 2020, structural balances worsened sharply, to an average of -5.5% of potential GDP, and 29 of the 33 countries had a structural primary deficit. The only exceptions were Portugal (+2.8% of potential GDP), Greece (+1.6%), Denmark (+1.0%) and the Czech Republic (0.4%). The largest structural primary deficit was in the United States (-9.5% of potential GDP). The only countries to improve their balances in 2020 were Portugal (+0.1 p.p. of potential GDP) and Iceland (+0.5 p.p.). The greatest deterioration was in Australia (-8.6 p.p) (Figure 2.6). Widespread and increasing structural deficits in 2020 indicate that countries are likely to need to raise taxes or lower spending in the future, in order to put their finances back into a sustainable position.

For most countries, adjustment is projected to begin in 2022. The structural primary balance is forecast to worsen further in 30 of 33 OECD countries in 2021, rising to an average of -7.6% of GDP. In 2022, as the health and economic impacts of COVID recede, and growth returns, the structural primary balance is projected to improve in 31 of 33 OECD countries, to an average of -4.9% of GDP (Figure 2.7). The extent to which further adjustment in tax and expenditure policies will be needed beyond this point will depend on the size of the rebound in GDP growth. However, it is likely that many countries will eventually need to moderate spending and/or raise taxes post-COVID to ensure their public finances are sustainable. This may partly be achieved automatically and with relatively little impact on citizens as governments rescind income support measures and tax breaks which were explicitly part of COVID-19 relief, and are no longer needed.

Methodology and definitions

Data are derived from the *OECD Economic Outlook*, No.109 (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

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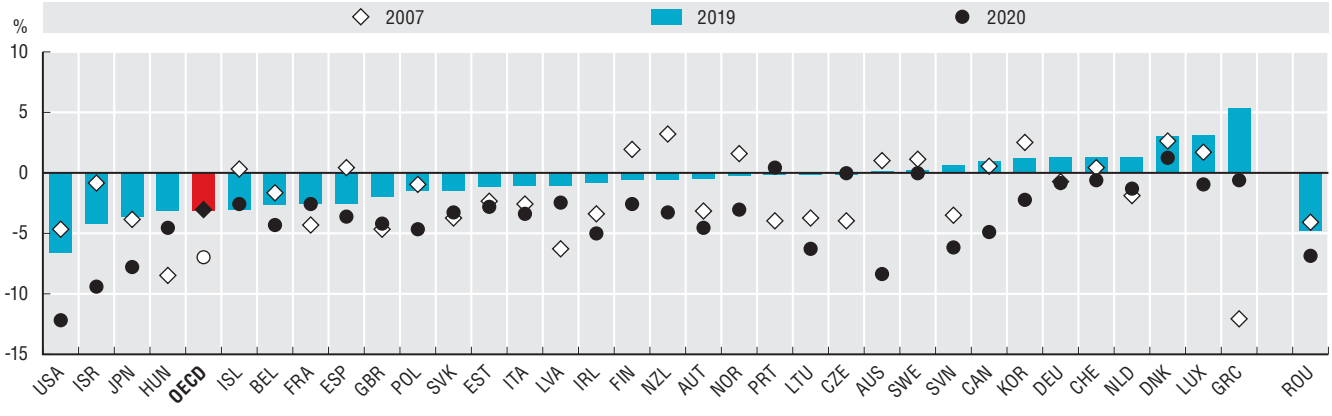
Figure notes

Data for Chile, Colombia, Mexico and Turkey are not available.

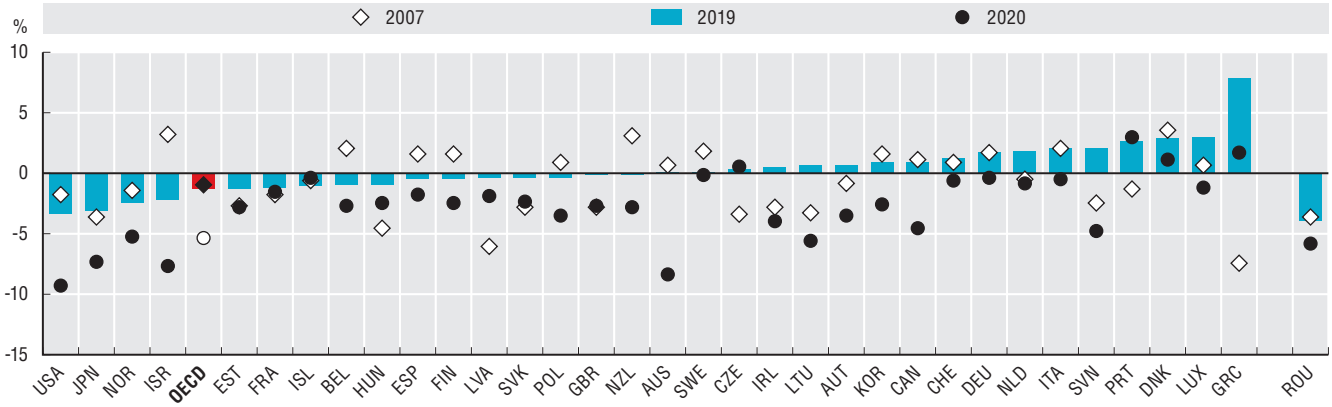
2.5. General government structural balance as a percentage of potential GDP, 2007, 2019 and 2020



Source: OECD Economic Outlook, No 109, May 2021.

StatLink https://doi.org/10.1787/888934256710

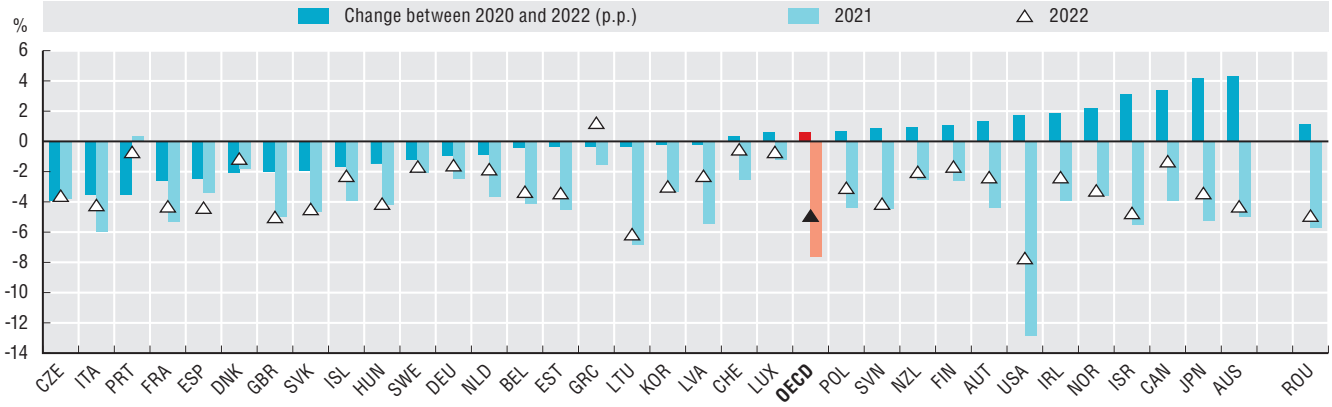
2.6. General government structural primary balance as a percentage of potential GDP, 2007, 2019 and 2020



Source: OECD Economic Outlook, No 109, May 2021.

StatLink https://doi.org/10.1787/888934256729

2.7. Projected general government structural primary balance as a percentage of potential GDP in 2021 and 2022, and projected change between 2020 and 2022



Source: OECD Economic Outlook, No 109, May 2021.

StatLink https://doi.org/10.1787/888934256748

General government gross debt

Public debt levels have significant implications for the stability of public finances and the economy as a whole. 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.

Public debt levels have risen substantially as a result of COVID-19. In 2019, general government gross debt averaged 109% of GDP across OECD countries. In 2020, this rose in all 26 countries with data available, as they operated large budget deficits to pay for their COVID-19 response measures. In 19 countries, debt rose by more than 10% of GDP, a very large rise for a single year. Among the 22 OECD and EU member countries (OECD-EU), general government gross debt rose from 97% of GDP in 2019 to 115% in 2020. The largest increase was in Greece (+36 p.p.), which also has the highest debt of these countries (236% of GDP) and the smallest was in Luxembourg (+3 p.p.) which has the second lowest public debt among these countries, at 33% of GDP (Figure 2.8).

General government gross debt also rose sharply in per capita terms. In 2019, general government gross debt per capita averaged USD 56 961 PPP across OECD countries. In 2020, it rose in all 26 countries with data available, and by more than USD 3 000 PPP per capita in nominal terms in 22 countries. This is notably faster than in recent years. For example, among OECD-EU countries, per capita debt rose by just under USD 2 000 PPP per capita a year during 2007-19 on average. In 2020, it rose by almost USD 5 400 PPP per capita, to just under USD 52 000 PPP per capita. (Figure 2.9; see Online Figure G.2 for changes in real terms debt per capita).

Most public debt owed by OECD countries (83.5%) is in the form of debt securities, that is, government bonds or similar instruments. In 32 of 36 OECD countries, more than 50% of public debt is in the form of debt securities. Only in Estonia, Greece and Norway is more than 50% in the form of loans. (Figure 2.10).

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 A).

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, 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.3, in Annex G). For information on the calculation of government debt per capita, see General government revenues.

Further reading

OECD (2021), *Sovereign Borrowing Outlook 2021*, OECD Publishing, Paris, *https://doi.org/10.1787/4f246e82-en*.

OECD (2021), "Structural policies to deliver a stronger, more resilient, equitable and sustainable COVID-19 recovery", in *Economic Policy Reforms 2021: Going for Growth*. OECD Publishing, Paris, *https://doi.org/10.1787/92b58feb-en*.

Figure notes

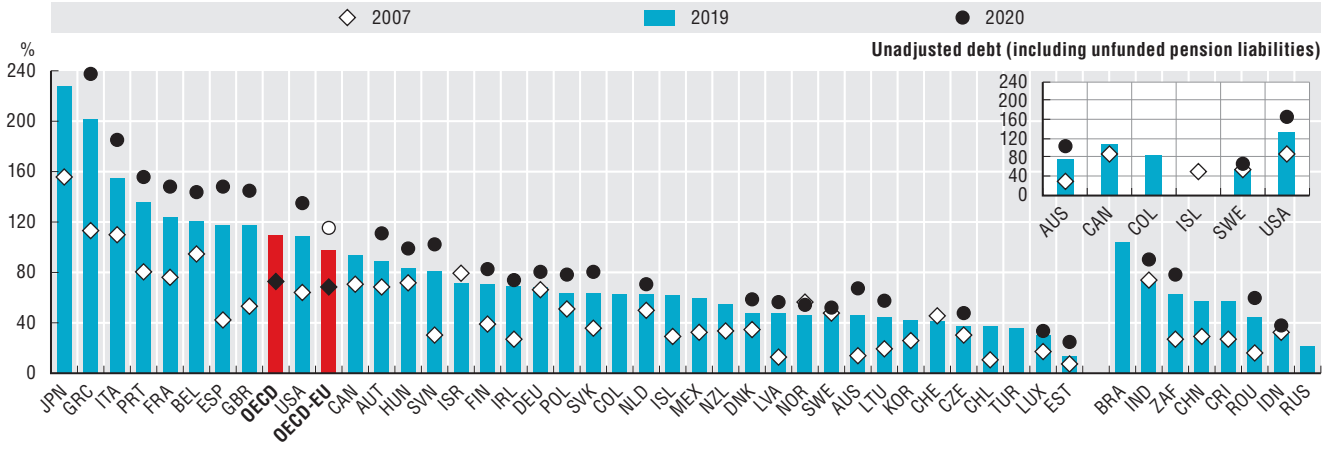
Data for Australia, Canada, Colombia, Iceland, Sweden and the United States are reported on an adjusted basis (i.e. excluding unfunded pension liabilities). Data for Colombia, Mexico and Turkey are not included in the OECD average. Data for Israel and Korea are for 2018 rather than 2019. Data for Brazil are for 2017 rather than 2019.

2.8 and 2.9. Data for 2019 for Iceland and data for 2007 for Korea are based on OECD estimates.

2.10. Data for Iceland are not available.

G.2. (Annual growth rate of real government gross debt per capita, 2007-19 and 2019-20) is available online in Annex G.

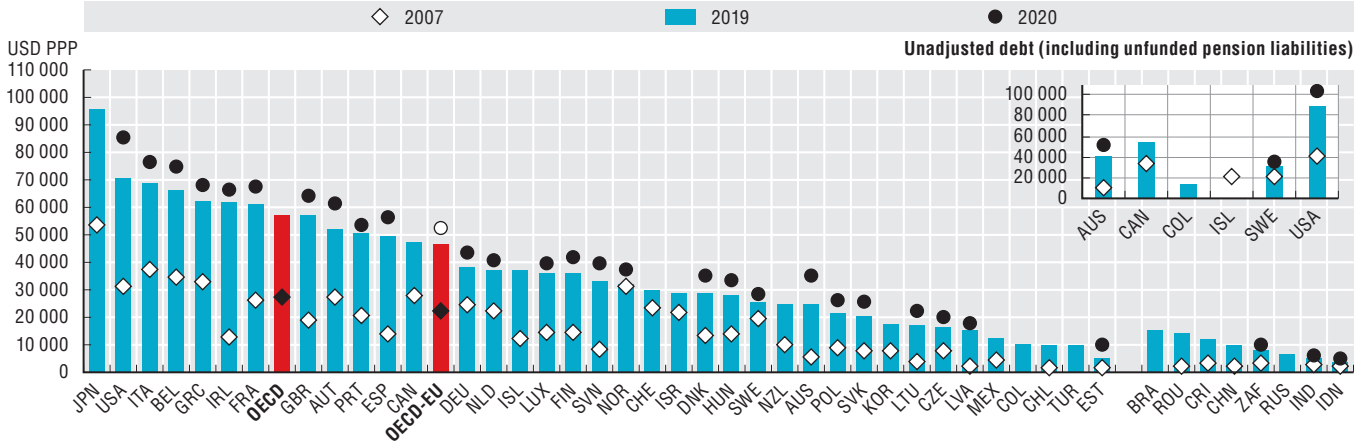
2.8. General government gross debt as a percentage of GDP, 2007, 2019 and 2020



Source: *OECD National Accounts Statistics* (database); *Eurostat Government Finance Statistics* (database). Data for the OECD key partners (apart from Brazil) and for Costa Rica are from the *IMF Economic Outlook* (April 2021).

StatLink https://doi.org/10.1787/888934256767

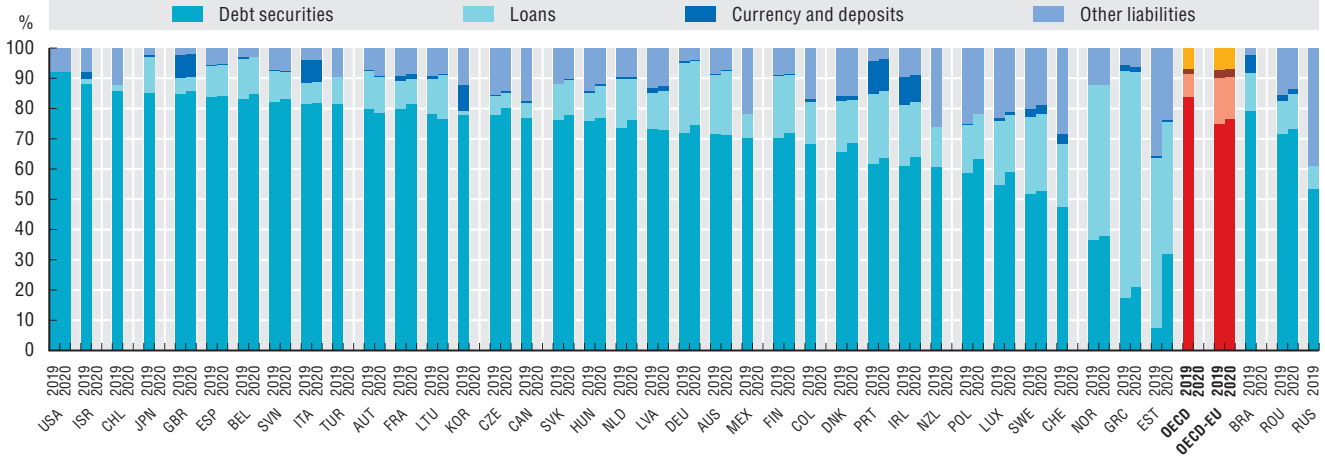
2.9. General government gross debt per capita, 2007, 2019 and 2020



Source: *OECD National Accounts Statistics* (database); *Eurostat Government Finance Statistics* (database). Data for the OECD key partners (apart from Brazil) and for Costa Rica are from the *IMF Economic Outlook* (April 2021).

StatLink https://doi.org/10.1787/888934256786

2.10. Structure of government gross debt by financial instruments, 2019 and 2020



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

StatLink https://doi.org/10.1787/888934256805

Financial net worth of general government

Financial net worth, or the difference between governments' financial assets and liabilities, shows a government's ability to meet its financial obligations. Assets reflect a source of additional funding and income available to governments; liabilities reflect debts accumulated over time. A consistent increase in the government's financial net worth over time indicates good financial health. Conversely, net worth may be depleted by public debt, indicating a worsening of the government's fiscal position that could affect confidence and increase risk.

In 2019, general government financial net worth across OECD countries averaged -65.8% of GDP, meaning that governments were holding significantly more liabilities than assets. Between 2007 and 2019 the average financial net worth of OECD countries deteriorated by 27.2 p.p., largely reflecting a substantial accumulation of debt, particularly in the years following the 2007-08 economic crisis. The negative financial net worth of three countries: Greece (-146.8%), Italy (-126.7%) and Japan (-125.8%) was larger than their GDP in 2019 (Figure 2.11).

Between 2019 and 2020, the financial net worth of the 22 countries which are EU and OECD members (OECD-EU) worsened by 11.6 p.p. on average as a result of the exceptional need for financial resources to mitigate the effects of the COVID-19 pandemic and the resulting accumulation of liabilities. Norway (369.4% of GDP), Finland (64.2%), Luxembourg (49%), Sweden, (37.4%) and Estonia (17.3%) are the only countries with data available which had a positive financial net worth in 2020.

An alternative way of understanding financial net worth is in per capita terms. On average, the financial net worth in OECD countries amounted to USD -34 297 PPP per capita in 2019, which is more than double the OECD average in 2007 (USD -14 475 PPP). In 2019, Norway had the highest positive per capita financial net worth (USD 226 240 PPP) and Italy the lowest (USD -56 247 PPP). Between 2019 and 2020 the average financial net worth in OECD-EU countries deteriorated by USD -3 761 PPP per capita (Figure 2.12).

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), 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 A for details on reporting systems and sources).

The financial net worth of the general government sector is the total value of its financial assets minus the total value of its outstanding liabilities. The SNA defines the financial assets and the corresponding liabilities where applicable/available in the financial balance sheet of the institutional sector: monetary gold and special drawing rights (SDRs); currency and deposits; debt securities; loans; equity and investment fund shares; insurance, pension and standardised guarantee schemes; financial derivatives and employee stock options; and other accounts receivable/payable. According to the SNA, stocks of financial assets and liabilities are valued at market prices, when appropriate (although some countries might not apply this valuation, in particular for debt securities). Data are based on consolidated financial assets and liabilities except for Chile, Mexico, New Zealand, Brazil and Russia.

This indicator can be used as a proxy measure for net government debt as, similarly to the definition of gross debt, the net debt can be restricted to gross debt minus financial assets corresponding to debt instruments (concept as defined in the Public Sector Debt Statistics: Guide for Compilers and Users).

The institutional set-up of recording unfunded liabilities of government employees can have an impact on the financial net worth of general government in diverse countries, making international comparability difficult. This is the case for some OECD countries such as Australia, Canada, Colombia, Sweden and the United States. For that reason, as with government gross debt, an adjusted financial net worth is calculated for these countries. For information on the calculation of financial net worth per capita see General government revenues.

Further reading

OECD (2021), *OECD Economic Outlook, Interim Report March 2021*, OECD Publishing, Paris, *https://doi.org/10.1787/34bfd999-en*.

Figure notes

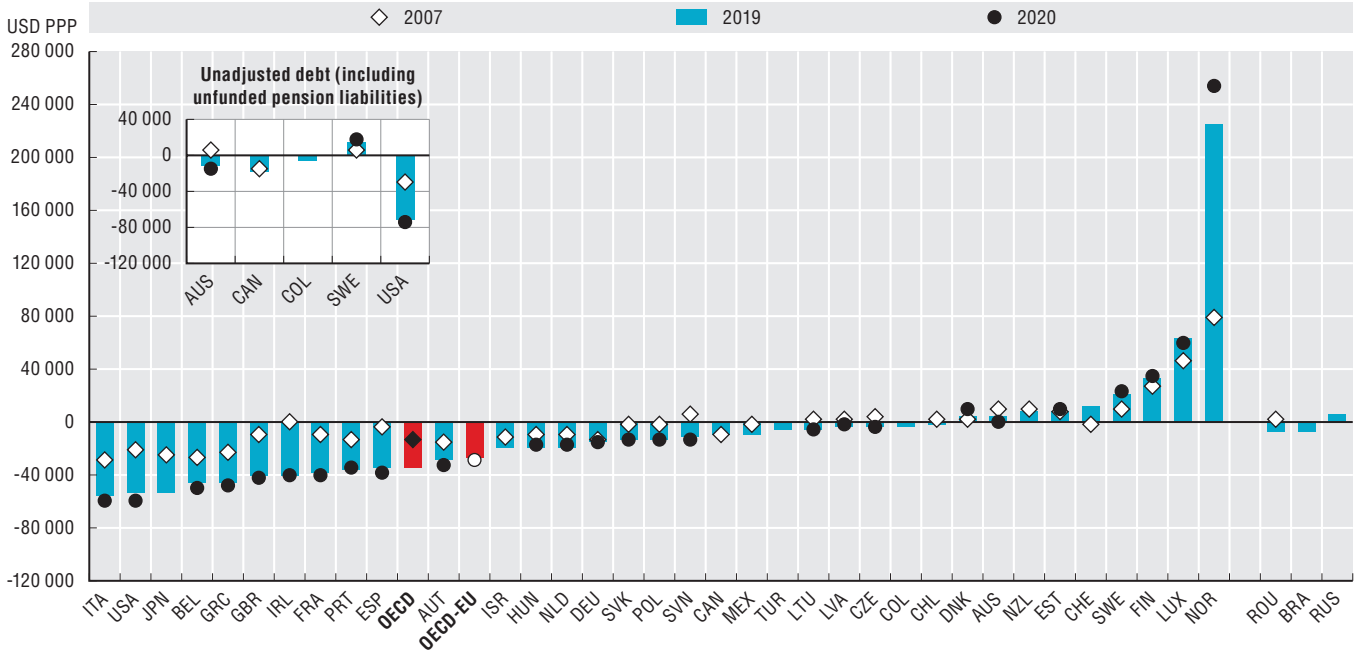
Data for Australia, Canada, Colombia, Sweden and the United States are reported on an adjusted basis (i.e. excluding unfunded pension liabilities). Data for Iceland and Korea are not available. Data for Colombia, Mexico and Turkey are not included in the OECD average. Data for Israel are for 2018 rather than 2019. Data for Brazil are for 2017 rather than 2019.

2.11. General government financial net worth as a percentage of GDP, 2007, 2019 and 2020

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

StatLink https://doi.org/10.1787/888934256824

2.12. General government financial net worth per capita, 2007, 2019 and 2020



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

StatLink https://doi.org/10.1787/888934256843

Fiscal balance and debt by level of government

Different administrative systems allow sub-central governments greater or lesser autonomy in raising and spending resources. Correspondingly, fiscal results in those different levels of government may vary substantially. Nevertheless, in order to avoid generating the wrong set of incentives, sub-central governments are often subject to tight fiscal rules, especially about incurring debt in order to finance deficits.

In 2019 the average budget balance among OECD countries was -2.9% of GDP for central government, -0.5% of GDP for state governments and -0.01% of GDP for local governments. Social security funds were in surplus on average, at +0.3% of GDP. As noted above, budget balances deteriorated significantly in 2020 as governments spent large amounts on COVID-19 response measures. National governments were responsible for the bulk of the general government deficit in 2020. In 18 of the 26 OECD countries for which data are available, central government was responsible for more than 90% of the deficit in 2020. Those countries where this was not the case include three federal countries where states were responsible for a substantive portion of the deficit (Belgium, Canada and Germany). They also include three countries where a portion of the deficit in 2020 was accrued via social security funds (Estonia, France and Spain) (Figure 2.13).

General government debt in OECD countries is held mainly by national governments (Figures 2.14 and 2.15). In 2019, on average across OECD countries, national governments held 82% of general government debt. The COVID-19 crisis has had no appreciable effect on the distribution of government gross debt across levels of government. Although national governments have been responsible for most of the deficits incurred in 2020, the proportion of government debt held by national government has not been significantly affected, as they already held the majority of government debt. For example, among the 22 countries which are EU and OECD members (OECD-EU), debt held by national governments increased from an average of 84% of GDP in 2019 to 99% in 2020 (Figure 2.14). However, the national governments' share of national debt remained the same, at around 82% of the total (Figure 2.15).

Methodology and definitions

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 A for details). Using SNA terminology, general government consists of central government, state government, local government 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. Fiscal balance, also referred to as the net lending (+) or net borrowing (-) of general government, is calculated as total government revenues minus total government expenditures. For additional information on debt, see General government gross debt.

Further reading

OECD (2021), "Sovereign borrowing outlook for OECD countries", in *OECD Sovereign Borrowing Outlook 2021*, OECD Publishing, Paris, *https://doi.org/10.1787/4f246e82-en*.

Figure notes

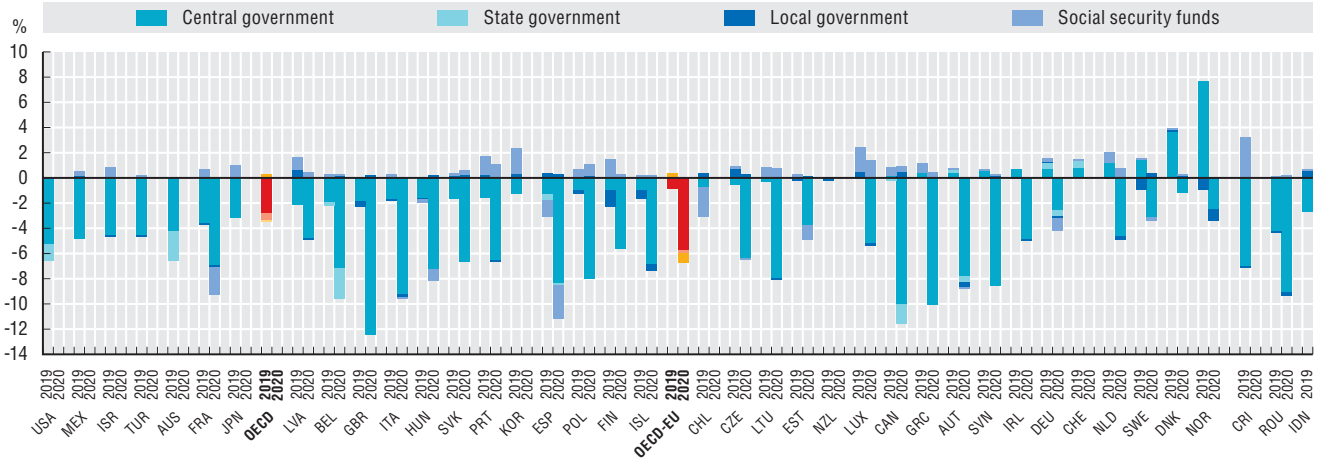
Local government is included in state government for Australia and the United States. Australia does not operate government social insurance schemes. Social security funds are included in central government in Ireland, Norway, the United Kingdom and the United States

2.13. Data for Colombia are not available. Data for Chile and Turkey are not included in the OECD average because of missing time series or main non-financial government aggregates. For Japan, data for sub-sectors of general government refer to fiscal years and are for 2018 rather than 2019.

2.14 and 2.15. Data for Chile, Iceland, Korea and Mexico are not available. Data for Colombia and Turkey are not included in the OECD average. Data for Australia, Canada, Colombia, Sweden and the United States are reported on an adjusted basis (i.e. excluding unfunded pension liabilities). Data for Switzerland and the United States are reported on a non-consolidated basis. For Japan, data for sub-sectors of general government refer to the fiscal year. Data for Israel are for 2018 rather than 2019.

2.15. Data are consolidated within the subsectors of general government. However, at the level of general government, flows between levels of government are included.

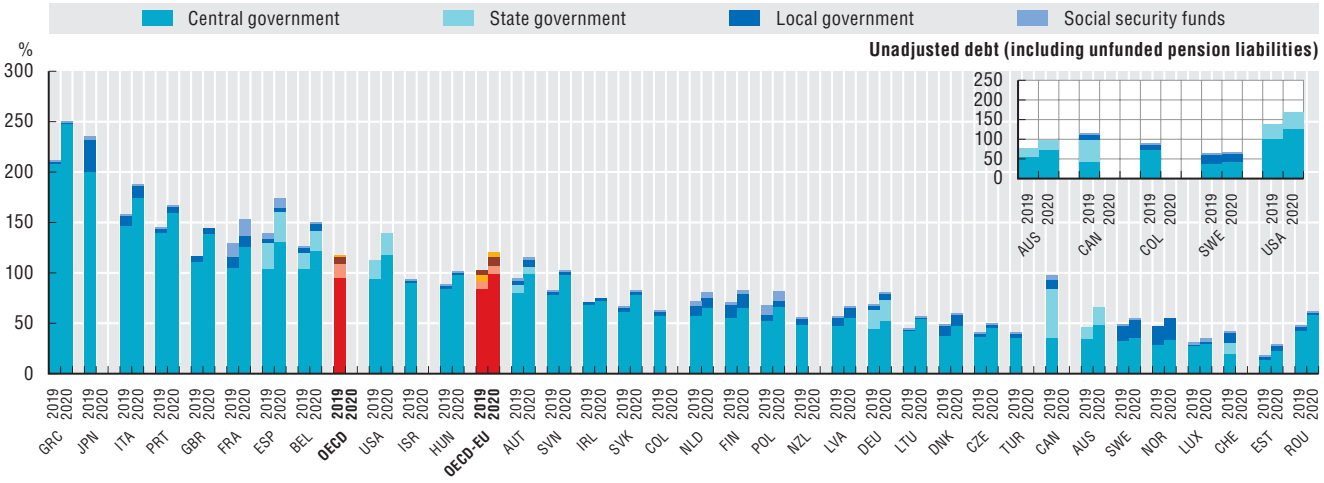
2.13. Government fiscal balances across levels of government as a percentage of GDP, 2019 and 2020



Source: *OECD National Accounts Statistics* (database).

StatLink https://doi.org/10.1787/888934256862

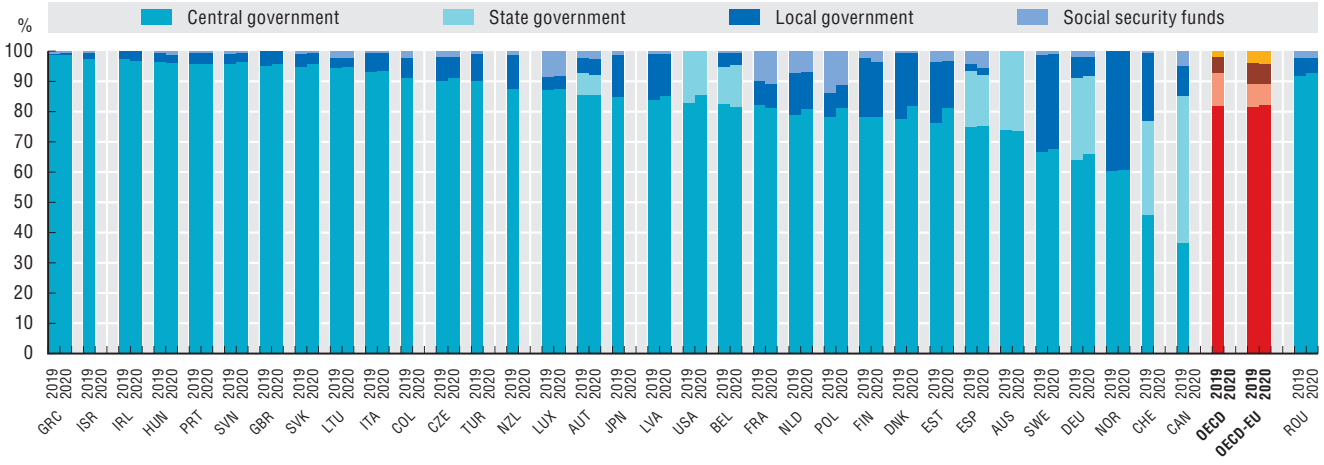
2.14. Government gross debt across levels of government as a percentage of GDP, 2019 and 2020



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

StatLink https://doi.org/10.1787/888934256881

2.15. Distribution of government gross debt across levels of government, 2019 and 2020



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

StatLink https://doi.org/10.1787/888934256900

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 population, such as health care and defence. Policies will often also be designed not to worsen inequality, such as by levying higher income taxes on those with higher incomes. Policies can be used to encourage socially beneficial activities (such as tax breaks on research and development) and discourage harmful ones (such as 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 37.7% of GDP in 2019. Most OECD countries (24 of 36) collected between 30% and 45% of GDP as government revenues. However, the range is wide, spanning 58.1% of GDP in Norway to 22.4% in Mexico. This variety reflects both policy choices and differences in the structure of the economy. For example, Mexico collects substantially lower social security contributions and taxes on personal income than most OECD countries, while a substantial portion of Norway's government revenue comes from non-tax sources, including oil revenue. General government revenues as a percentage of GDP changed very little in most countries during 2007-19. The largest changes were partly due to changes in GDP rather than changes in tax policy alone. The biggest rise was in Greece (+8.6 p.p. of GDP during 2007-19), due to a drop in real GDP in the same period. The biggest fall was in Ireland (-11.2 p.p. during 2007-19). A significant contributor to this was rises in GDP as large overseas firms located in Ireland (Figure 2.16).

General government revenues per capita vary widely across the OECD. This variation is partially driven by differences in income per capita among OECD members. The three OECD countries with the lowest government revenue per capita (Colombia, Mexico and Turkey) are also among the four countries with the lowest nominal income per capita. The two countries with the highest government revenue per capita (Luxembourg and Norway) are among the four OECD countries with the highest nominal income per capita. Between these extremes, variation is also driven by policy choices. For example, the United States ranks 5th in terms of nominal income per capita, but 16th in government revenue per capita. This partly reflects policy decisions to set relatively lower tax rates and/or narrower tax bases than in many OECD countries (Figure 2.17).

The annual growth rate of real government revenues per capita averaged 0.87% across OECD countries during 2007-19. Most countries (30 of 35) saw positive growth over this period but this was sharply reversed in 2020. Among 26 countries for which data are available, 24 had falling real revenues per capita in 2020. In 13, revenues per capita fell by more than 5% (Figure 2.18). This reflected two impacts of the COVID-19 crisis. First, some countries put in place tax relief policies to support citizens and businesses during the COVID-19 crisis. Second, income per capita fell during 2020, meaning less income against which tax was due.

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 A 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 (2021), *Tax Policy Reforms 2021: Special Edition on Tax Policy during the COVID-19 Pandemic*, OECD Publishing, Paris, *https://doi.org/10.1787/427d2616-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*.

OECD (2020), *OECD Economic Surveys: Ireland 2020*, OECD Publishing, Paris, *https://doi.org/10.1787/dec600f3-en*.

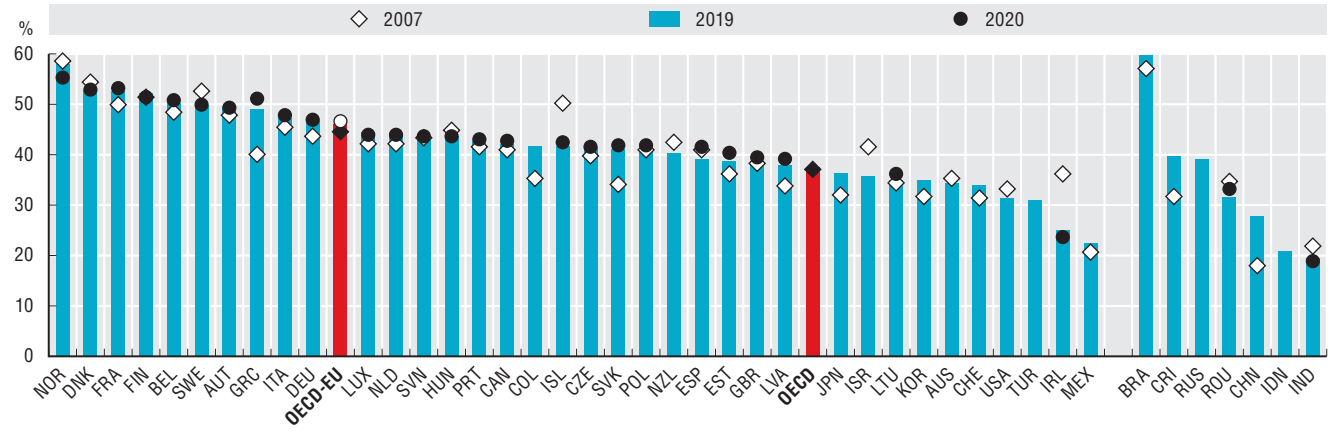
Figure notes

Data for Chile are not available. Data for Turkey are not included in the OECD average because of missing time series.

2.16 and 2.17. Data for Japan, Brazil and Russia are for 2018 rather than 2019.

2.18. Data for Japan and Brazil are for 2007-18 rather than 2007-19.

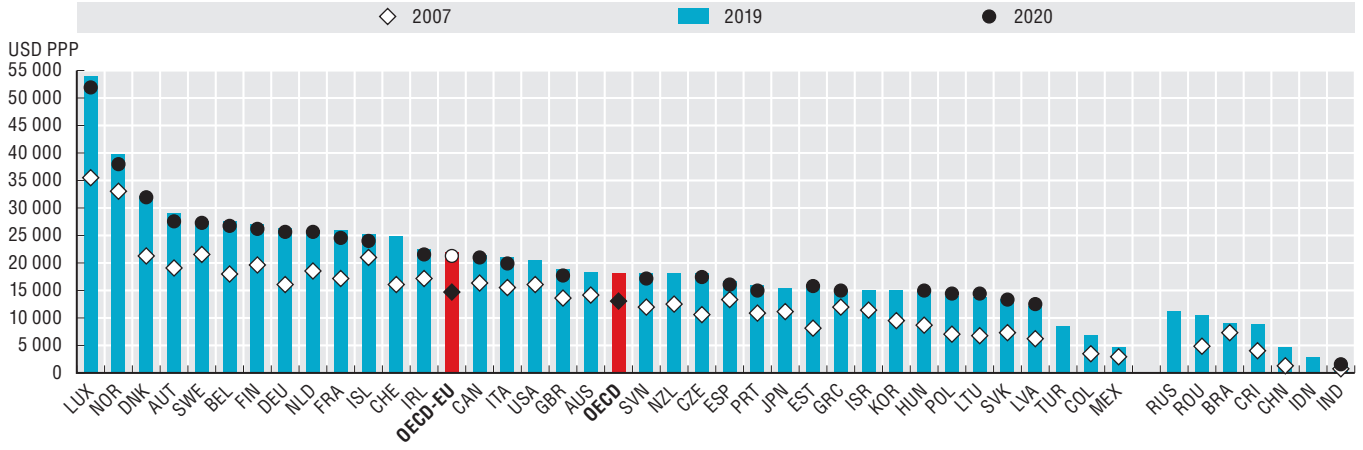
2.16. General government revenues as a percentage of GDP, 2007, 2019 and 2020



Source: OECD *National Accounts Statistics* (database). Data for China and India are from the *IMF Economic Outlook* (April 2021).

StatLink https://doi.org/10.1787/888934256919

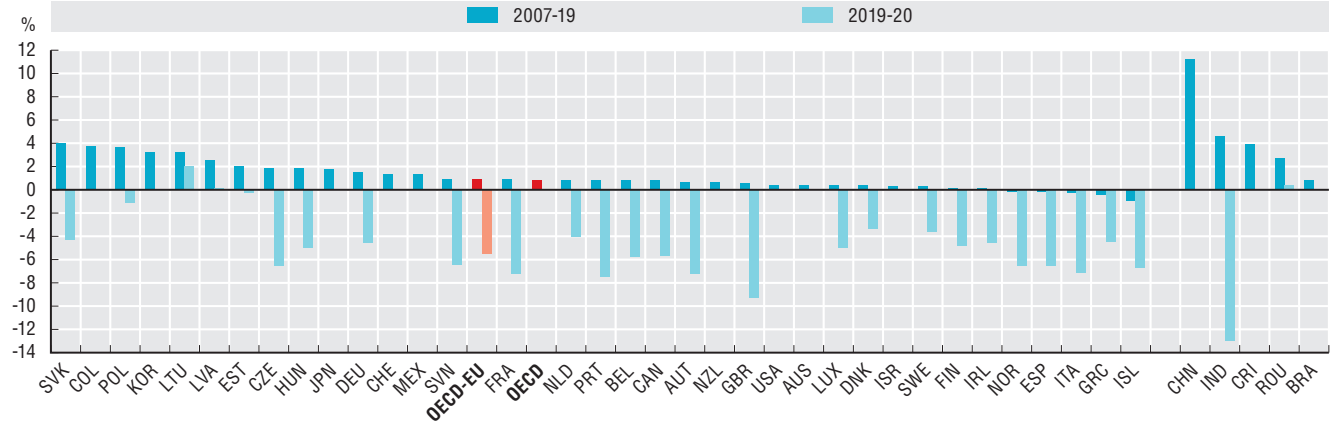
2.17. General government revenues per capita, 2007, 2019 and 2020



Source: OECD *National Accounts Statistics* (database). Data for China and India are from the *IMF Economic Outlook* (April 2021).

StatLink https://doi.org/10.1787/888934256938

2.18. Annual average growth rate of real government revenues per capita, 2007-19 and 2019-20



Source: OECD *National Accounts Statistics* (database). Data for India are from the *IMF Economic Outlook* (April 2021).

StatLink https://doi.org/10.1787/888934256957

Structure of general government revenues

The structure of government revenues shows the sources of revenues and helps identify the relative contribution of citizens and/or sectors of the economy towards paying for public expenditure.

According to the latest available data, in 2019, 59.5% of revenues in OECD countries were raised through taxes, followed by net social contributions (25.2%), sales (8.5%), and grants and other revenues (6.8%) (Figure 2.19). Between 2007 and 2019 the most important change in the composition of average revenues was the increase in the relative importance of net social contributions (+1 p.p.). This increase is the highest in Korea (5.8 p.p.) and Norway (3.5 p.p.). In Mexico, the relative importance of taxes rose by over 10 p.p. reflecting, among other things, policies increasing taxes on income, profits and personal gains, and tax administration measures to increase efficiency (Figure 2.20).

Between 2019 and 2020, on average, the share of total revenues collected through taxes in the OECD-EU countries fell by 0.7 p.p. from 57.7% to 57.0% (Figure 2.19). This is equivalent to one-third of the size of the change that occurred between 2007 and 2013 in OECD countries. The fall resulted from the slowing down of economic activity and its effects on revenue collection due to the COVID-19 pandemic. There is also wide variation in the relative importance of taxes as a source of revenues. In Denmark (88.7%) and Sweden (80.1%) taxes represented over 80% of total revenue in 2020. At the other end of the spectrum, taxes formed the smallest share in the Slovak Republic (45.4%) and Slovenia (46.5%).

The composition of revenues also varies by levels of government. In most cases central government relies heavily on taxes: 73% on average across OECD countries in 2019 (Online Figure G.4) while almost half of local government revenues was from grants and other revenues (Online Figure G.6). In the case of federal and quasi-federal countries there is more variation. States in Germany, Canada, the United States and Switzerland raise more than 50% of their income from taxes, while it is less than 10% in Mexico and Austria (Online Figure G.5).

The Revenue Statistics dataset treats social contributions as taxes. On average in 2018, over one-third of all taxes collected were on income and profits, followed by social security contributions (25.7%). Between 2007 and 2018, the importance of social contributions increased relative to taxes on income and profit. On average, income and profit taxes fell by 1.4 p.p. while social contributions rose by 1.3 p.p. It is worth noting that the share of corporate income tax recorded a peak in 2007 and, while it has increased in recent years, it is far from regaining that level. The largest change during this period was in Lithuania, where income and profit taxes fell by 11.6 p.p. while social contributions rose by 11.9 p.p. (Figure 2.21).

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 A). 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 B). The data in Figure 2.21 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 (2020), *Revenue Statistics 2020*, OECD Publishing, Paris, *https://doi.org/10.1787/8625f8e5-en*.

Figure notes

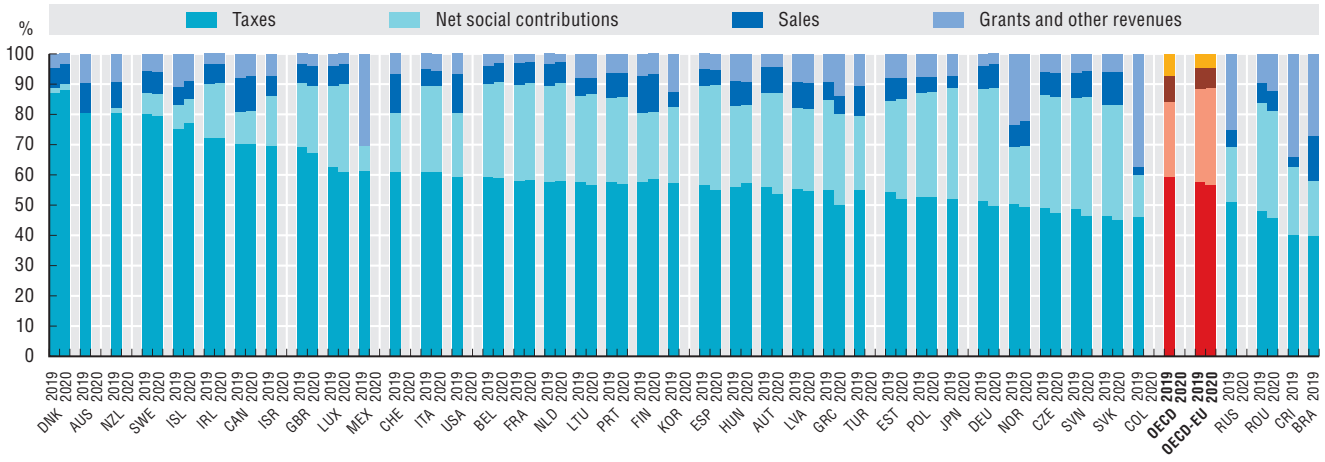
2.19 and 2.20. Data for Chile are not available. Data for Turkey are not included in the OECD average due to missing time series. Australia does not collect revenues via social contributions because it does not operate government social insurance schemes. Data for Japan, Brazil and Russia are for 2018 rather than 2019.

2.20. Data for Turkey are not available.

2.21. For the OECD-EU countries, total taxation includes custom duties collected on behalf of the EU. 2018 is the latest year for which data are available for all OECD countries. OECD average is unweighted.

G.4 to G.6. (Structure of revenues by levels of government) are available online in Annex G.

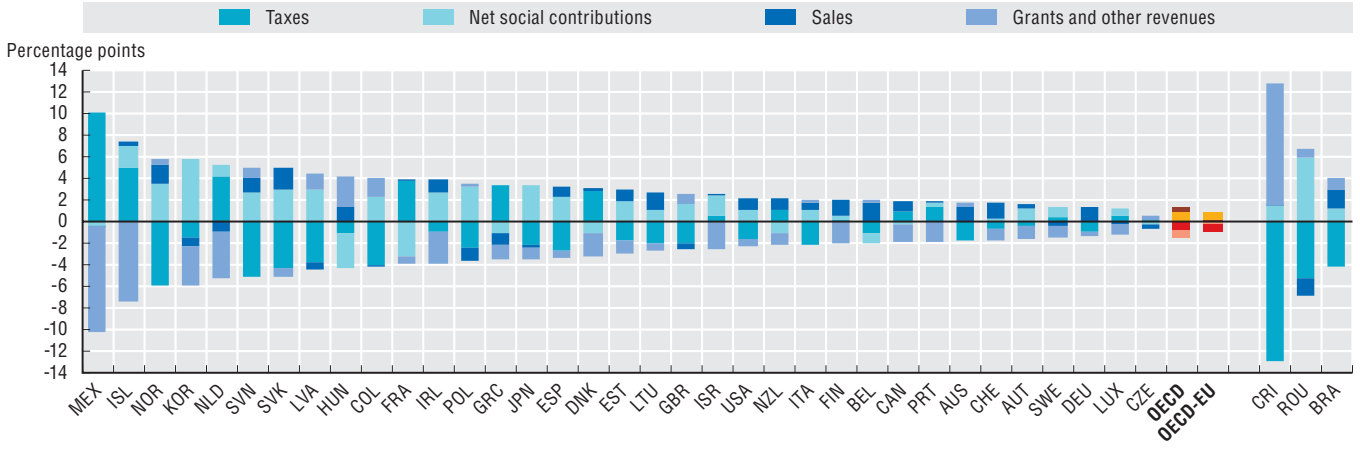
2.19. Structure of general government revenues, 2019 and 2020



Source: OECD *National Accounts Statistics* (database).

StatLink https://doi.org/10.1787/888934256976

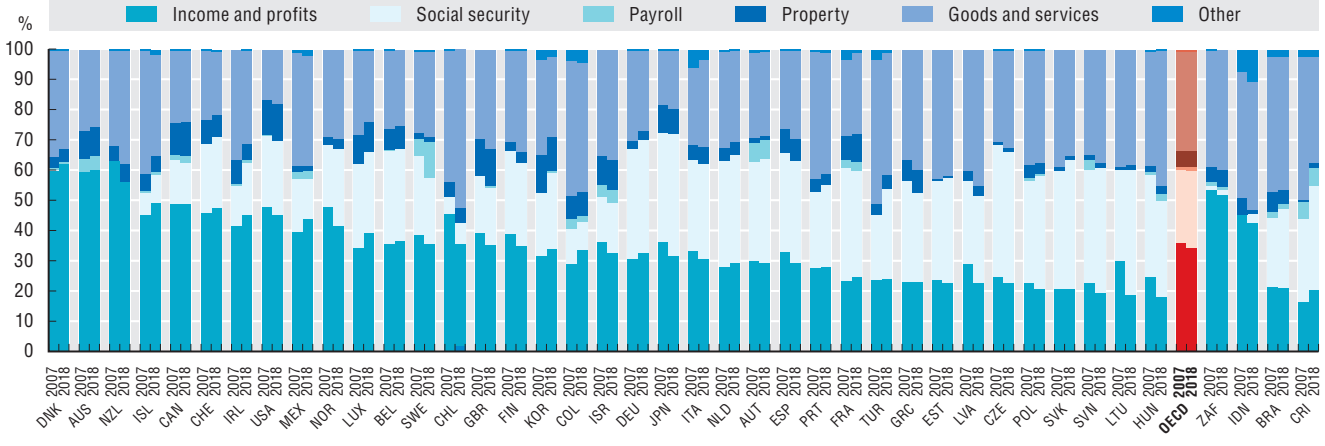
2.20. Change in the structure of general government revenues, 2007 to 2019



Source: OECD *National Accounts Statistics* (database).

StatLink https://doi.org/10.1787/888934256995

2.21. Breakdown of tax revenues as a percentage of total taxation, 2007 and 2018



Source: OECD *Revenue Statistics* 2020.

StatLink https://doi.org/10.1787/888934257014

General government expenditures

Governments are responsible for providing a range of goods and services to their populations. Some of these are their exclusive competence (e.g. the justice system). Others may be provided both by government and other entities (e.g. health care), and public provision may vary substantially across countries. Governments also work to redistribute income across society, e.g. through social benefits and subsidies. Government expenditures in OECD countries are primarily used to provide public services and transfer income across society. Government expenditures are usually less variable than their revenues, since they are less sensitive to economic upturns and downturns than taxes. One key reason is that some expenditure implements long-term policies which guarantee citizens certain entitlements, such as universal primary education.

General government expenditures in OECD countries averaged 40.8% of GDP in 2019. In 27 of 36 OECD countries, government expenditures were between 35% and 50% of GDP. European countries tend to have higher government expenditures than others, accounting for 9 of the 10 OECD members with the highest government expenditures. General government expenditures increased in 2020: in all 26 countries with data available, government expenditures rose as a share of GDP. In the 22 OECD-EU countries, they increased by an average of 7 p.p. of GDP between 2019 and 2020. This reflects both the extensive spending on health care and income support for citizens and businesses during 2020, and also the fall in GDP caused by the COVID-19 crisis (Figure 2.22).

General government expenditures per capita averaged USD 19 587 PPP in 2019; 28 out of 36 OECD countries spent between USD 12 000 and USD 28 000 PPP per capita. At the extremes, this variation is driven by differences in income. The three OECD countries with the lowest government expenditure per capita (Colombia, Mexico and Turkey) are also among the four OECD countries with the lowest nominal income per capita. The two with the highest government expenditure per capita (Luxembourg and Norway) are among the four OECD countries with the highest nominal income per capita. Variation is also driven by policy choices. For example, France ranked 16th among OECD members on income per capita in 2019, but 7th on government expenditure per capita. This reflects France's larger public sector and greater public provision of goods and services than in many other countries. General government expenditure per capita rose in all 26 OECD countries for which data are available in 2020 as governments responded to COVID-19. In 16 countries, the increase was more than USD 2 000 PPP per capita (Figure 2.23).

The annual growth rate of real government expenditures per capita from 2007 to 2019 averaged 1.2% across OECD countries, with 32 of 35 countries seeing positive growth on average over this period. Growth rates increased sharply in 2020. All 26 countries for which data are available report an increase in the growth rate of real government expenditures in 2019-20. On average, in the 22 OECD-EU countries the growth rate was 7.65%, up from an average of 0.95% per year during 2007-19. The largest increases were in Lithuania (from 2.9% per year during 2007-19 to 24.5% in 2020) and Canada (from 1.0% to 19.5%). This directly reflects the impact of the COVID-19 crisis, as governments spent large sums on income support, health care and other areas to manage the effects of the crisis (Figure 2.24).

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 A for details). 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 (2019), *OECD Economic Surveys: France 2019*, OECD Publishing, Paris, *https://doi.org/10.1787/a0eee144-en*.

Causa, O., J. Browne and A. Vindics (2019), "Income redistribution across OECD countries: Main findings and policy implications", *OECD Economic Policy Papers*, No. 23, OECD Publishing, Paris, *https://doi.org/10.1787/3b63e61c-en*.

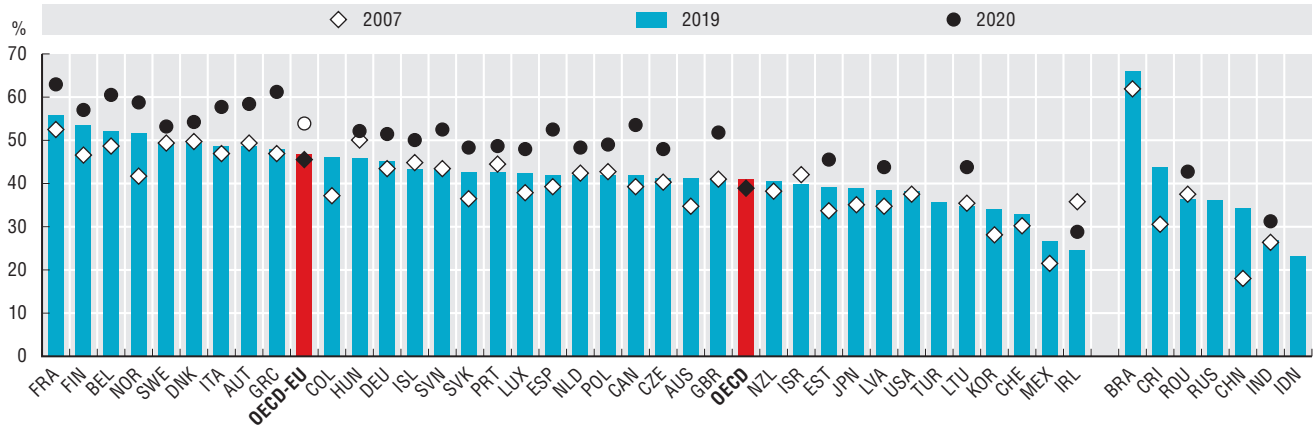
Figure notes

Data for Chile are not available. Data for Turkey are not included in the OECD average because of missing time series.

2.22 and 2.23. Data for Japan, Brazil and Russia are for 2018 rather than 2019.

2.24. Data for Japan and Brazil are for 2007-18 rather than 2007-19.

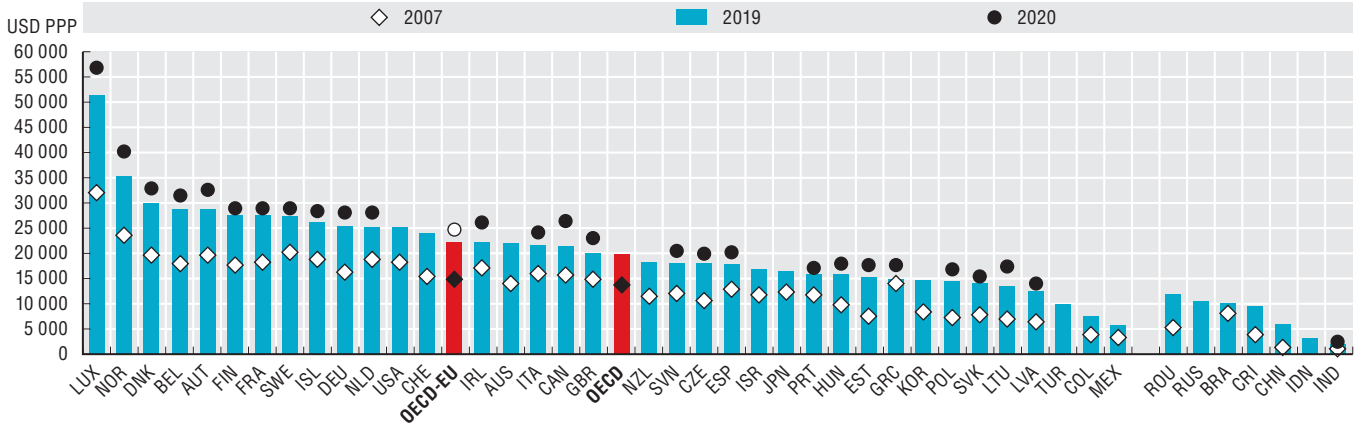
2.22. General government expenditures as a percentage of GDP, 2007, 2019 and 2020



Source: OECD *National Accounts Statistics* (database). Data for China and India are from the *IMF Economic Outlook* (April 2021).

StatLink https://doi.org/10.1787/888934257033

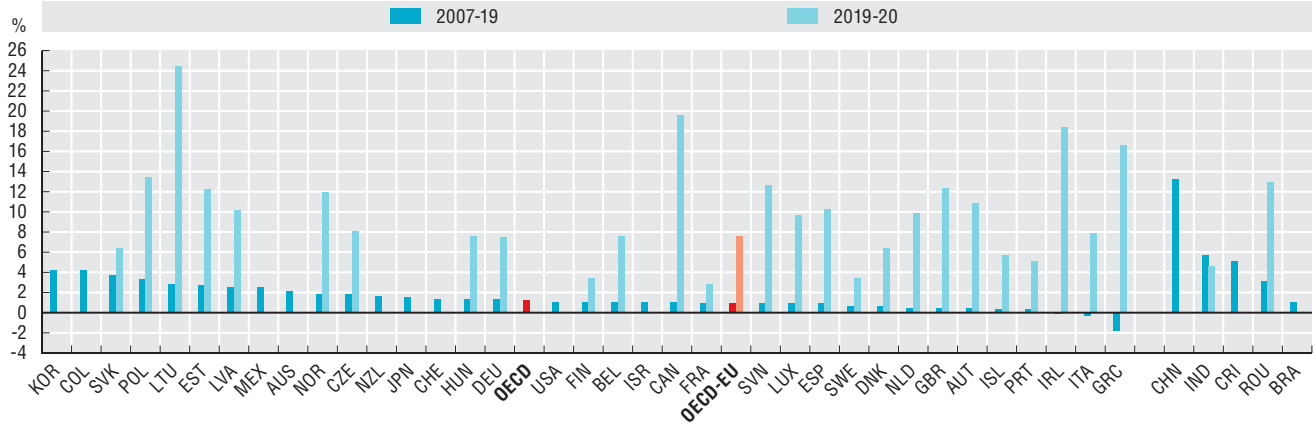
2.23. General government expenditures per capita, 2007, 2019 and 2020



Source: OECD *National Accounts Statistics* (database). Data for China and India are from the *IMF Economic Outlook* (April 2021).

StatLink https://doi.org/10.1787/888934257052

2.24. Annual average growth rate of real government expenditures per capita, 2007-19 and 2019-20



Source: OECD *National Accounts Statistics* (database). Data for India are from the *IMF Economic Outlook* (April 2021).

StatLink https://doi.org/10.1787/888934257071

General government expenditures by function (COFOG)

Governments are responsible for a wide array of tasks, ranging from protecting borders to building hospitals and delivering passports. Governments' expenditures by function reveal how much they spend on key areas, such as education, health, defence, social protection and public order and safety. Examining the levels of spending in these different functions helps to provide information about national priorities and policy choices, as well as preferences for delivery modes (i.e. fully public or a combination of public and private).

On average, in 2019, the largest portion of government resources in OECD countries was spent on social protection (13.3% of GDP), which includes old age pensions, sickness and disability benefits, and unemployment benefits. Finland (24%), France (23.9%) and Denmark (21.4%) spent the largest share of their GDP on social protection. Chile (5.9%), Korea (6.9%) and the United States (7.6%) spent the smallest share (Table 2.25).

Hospital services, outpatient services, appliances and equipment, and medical products, including vaccines, all form part of health care spending. This is the second largest spending category on average in OECD countries, at 7.9% of GDP. The United States (9.3%), Norway (8.7%) and Denmark (8.2%) spent the most in this category. However, even among countries with high spending levels there are stark differences. For example, while health care in Norway and Denmark is entirely public, only just over one-third of the US population are covered by a public health insurance scheme. At the other end of the spectrum, Switzerland (2.1%), Latvia (4.2%) and Chile (4.4%) spent the least on health care. In Switzerland health care is provided mainly through compulsory private insurance schemes.

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 across OECD countries in 2019. Italy (7.5%), Greece (7.9%) and Finland (7.9%) spent the most on this function. Public debt transactions represented the largest component of this function for Italy and Greece, while general services made up over half of it in Finland. On average, OECD countries spend 5.1% of GDP on education and 3.9% on economic affairs. This last category encompasses subsidies to enterprises and economic sectors. Environmental protection is the category with the lowest level of spending, at 0.5% of GDP on average for OECD countries.

Between 2007 and 2019 public expenditures on social protection increased by 1.4 p.p. of GDP on average. The increase has been steepest in Finland (5 p.p.) and Spain (4.5 p.p.). Health spending in terms of GDP has also grown by 1.1 p.p. on average, with Norway (1.8 p.p.), Korea (1.6 p.p) and the United States (1.6 p.p.) experiencing the largest increases. Over the same period, spending on general public services decreased on average by 0.5 p.p. with Greece (3.7 p.p.) and Israel (3.4 p.p.) registering the steepest reduction in this area (Table 2.26).

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 A). 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 C for more information about the types of expenditures included. Further data on the structure of government expenditures by COFOG I level functions (including levels of government) and detailed data by selected COFOG II level functions are available online in Annex G (Online Tables G.7 to G.15).

Further reading

OECD (2019), *Health at a Glance 2019: OECD Indicators*, OECD Publishing, Paris, *https://doi.org/10.1787/4dd50c09-en*.

OECD (2020), *Education at a Glance 2020: OECD Indicators*, OECD Publishing, Paris, *https://doi.org/10.1787/69096873-en*.

Figure notes

Data are not available for Canada, Mexico, New Zealand and Turkey. Data for Australia, Japan and Korea refer to 2018 rather than 2019.

2.25. Data for Chile and Colombia are not part of the OECD average due to missing time series. Data for Chile and Colombia refer to 2018 rather than 2019. Data for Costa Rica refer to 2017 rather than 2019.

2.26. Data are not available for Chile and Colombia.

2.25. General government expenditures by function as a percentage of GDP, 2019

	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	4.0	2.3	2.0	4.9	0.9	0.6	7.3	0.9	5.8	9.8
Austria	5.7	0.6	1.3	5.8	0.4	0.3	8.3	1.2	4.8	20.1
Belgium	6.9	0.8	1.7	6.7	1.3	0.3	7.6	1.3	6.2	19.4
Chile	3.0	1.1	2.0	2.3	0.2	0.9	4.4	0.3	5.5	5.9
Colombia	4.9	1.2	2.1	3.1	0.5	0.5	5.1	0.7	4.2	8.7
Czech Republic	4.4	0.9	1.9	6.1	0.8	0.7	7.6	1.4	4.9	12.6
Denmark	6.0	1.1	1.0	3.1	0.4	0.2	8.2	1.6	6.3	21.4
Estonia	3.5	2.1	1.8	3.9	0.7	0.4	5.3	2.0	6.0	13.2
Finland	7.9	1.2	1.2	4.2	0.2	0.3	7.1	1.5	5.6	24.0
France	5.5	1.7	1.6	6.0	1.0	1.1	8.0	1.4	5.3	23.9
Germany	5.7	1.1	1.6	3.3	0.6	0.4	7.4	1.0	4.3	19.7
Greece	7.9	2.0	2.1	4.0	1.4	0.2	5.3	0.8	4.0	19.8
Hungary	8.2	1.0	2.1	8.0	0.5	0.8	4.5	3.0	4.7	12.7
Iceland	7.2	0.1	1.5	4.9	0.6	0.5	7.8	3.0	7.0	10.9
Ireland	2.7	0.2	0.9	2.3	0.4	0.7	4.7	0.5	3.1	8.9
Israel	4.2	5.3	1.6	2.9	0.5	0.2	5.4	1.5	7.0	11.1
Italy	7.5	1.3	1.8	4.0	0.9	0.5	6.8	0.8	3.9	21.1
Japan	3.8	0.9	1.2	3.7	1.1	0.7	7.7	0.4	3.3	16.1
Korea	4.0	2.4	1.2	4.4	0.8	1.0	4.7	1.0	4.8	6.9
Latvia	3.8	1.9	2.2	5.3	0.6	1.0	4.2	1.5	5.8	12.1
Lithuania	3.5	1.6	1.4	3.0	0.4	0.5	6.2	1.2	4.6	12.3
Luxembourg	5.0	0.4	1.2	5.2	0.9	0.6	5.0	1.3	4.7	18.0
Netherlands	4.1	1.3	1.8	3.8	1.4	0.4	7.7	1.2	5.0	15.4
Norway	4.8	1.9	1.2	6.0	0.9	0.8	8.7	1.8	5.6	19.7
Poland	4.2	1.6	2.1	4.8	0.5	0.5	4.9	1.3	5.0	16.7
Portugal	6.7	0.8	1.7	3.6	0.6	0.5	6.6	0.9	4.4	16.9
Slovak Republic	5.4	1.1	2.3	5.1	0.8	0.5	7.7	1.2	4.2	14.4
Slovenia	5.2	1.0	1.6	4.5	0.6	0.4	6.7	1.4	5.5	16.5
Spain	5.5	0.8	1.8	4.0	0.9	0.4	6.1	1.1	4.0	17.4
Sweden	6.9	1.2	1.3	4.4	0.5	0.7	7.0	1.3	6.9	19.0
Switzerland	4.2	0.8	1.6	3.9	0.6	0.2	2.1	1.0	5.4	12.9
United Kingdom	4.3	2.0	1.8	3.5	0.6	0.8	7.7	0.6	4.9	14.8
United States	5.8	3.4	1.9	3.4	0.0	0.5	9.3	0.3	5.9	7.6
OECD	5.4	2.2	1.7	3.9	0.5	0.6	7.9	0.7	5.1	13.3
OECD-EU	5.8	1.2	1.7	4.4	0.8	0.6	7.0	1.2	4.7	19.3
Costa Rica	3.7	0.0	2.5	3.2	0.4	0.8	5.9	0.2	7.7	8.3
Romania	4.2	1.7	2.2	4.7	0.7	1.1	5.0	1.0	3.6	11.9

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

StatLink https://doi.org/10.1787/888934257090

2.26. Change in general government expenditures by function as a percentage of GDP, 2007 to 2019

	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	0.3	0.5	0.2	0.2	0.2	-0.1	0.9	0.0	0.5	0.2
Austria	-1.9	-0.2	0.0	-0.1	-0.1	-0.1	0.9	-0.3	0.1	0.7
Belgium	-1.8	-0.2	0.0	1.1	0.5	-0.1	0.8	0.0	0.6	2.6
Czech Republic	-0.2	-0.2	0.0	-0.3	-0.1	-0.3	0.9	0.0	0.6	0.5
Denmark	-0.7	-0.3	0.0	0.1	-0.1	-0.1	0.6	-0.1	0.3	0.0
Estonia	0.2	0.8	-0.3	-0.4	-0.2	-0.2	1.0	-0.1	0.3	4.1
Finland	1.3	-0.2	0.0	-0.2	-0.1	0.0	0.7	0.4	-0.1	5.0
France	-1.6	0.0	0.2	1.7	0.1	-0.1	0.6	0.0	0.0	2.2
Germany	-0.5	0.2	0.1	0.0	0.1	-0.4	1.0	0.0	0.4	0.8
Greece	-3.7	-0.8	0.6	-0.2	0.6	0.0	-0.7	0.2	0.4	4.1
Hungary	-1.4	-0.2	0.2	1.5	-0.1	-0.2	-0.4	1.5	-0.8	-4.5
Iceland	-2.8	0.0	0.1	-0.7	0.0	0.2	0.3	-0.2	-0.8	2.8
Ireland	-0.7	-0.1	-0.6	-1.3	-0.6	-1.0	-1.5	-0.1	-1.2	-4.2
Israel	-3.4	-1.7	0.1	0.4	0.0	-0.2	0.6	0.2	0.6	0.7
Italy	-1.7	0.1	0.0	0.0	0.1	-0.2	0.1	0.1	-0.5	3.7
Japan	-0.6	0.1	0.0	0.2	0.0	-0.1	1.5	0.1	-0.1	2.7
Korea	-0.4	0.2	0.1	-1.1	-0.1	-0.2	1.6	0.2	0.5	2.2
Latvia	-0.2	0.5	-0.2	-0.2	-0.3	-0.2	0.2	-0.2	0.2	4.2
Lithuania	-0.9	-0.1	-0.3	-1.3	-0.5	0.2	1.0	0.1	-0.4	1.5
Luxembourg	0.2	0.2	0.3	0.0	0.2	0.0	0.3	0.0	0.3	2.8
Netherlands	-1.4	0.0	0.0	-0.5	-0.1	-0.1	1.0	-0.1	-0.1	1.0
Norway	-1.1	0.3	0.4	2.2	0.4	0.3	1.8	0.5	0.7	4.2
Poland	-1.2	-0.3	-0.2	-0.1	-0.1	-0.2	0.4	0.2	-0.7	1.1
Portugal	-0.4	-0.4	-0.1	-0.5	0.0	-0.2	-0.6	-0.2	-1.5	2.0
Slovak Republic	1.3	0.3	0.1	0.9	0.1	-0.1	1.5	0.4	0.6	1.4
Slovenia	-0.3	-0.4	-0.1	0.4	-0.2	-0.2	0.7	0.1	-0.4	0.2
Spain	0.5	-0.2	0.0	-1.4	-0.1	-0.5	0.4	-0.4	0.0	4.5
Sweden	-0.8	-0.3	0.0	0.5	0.0	0.2	0.6	0.1	0.7	-1.0
Switzerland	0.0	0.0	0.2	0.3	-0.1	0.1	0.5	0.0	0.6	1.0
United Kingdom	0.1	-0.2	-0.5	0.7	-0.3	-0.3	1.2	-0.3	-0.8	0.5
United States	-0.2	-0.6	-0.2	-0.3	0.0	-0.1	1.6	0.0	-0.4	0.9
OECD	-0.5	-0.2	-0.1	0.0	0.0	-0.2	1.1	0.0	-0.1	1.4
OECD-EU	-1.0	0.0	0.1	0.1	0.0	-0.2	0.5	0.0	0.0	1.8
Romania	-0.2	-0.1	-0.2	-3.7	0.3	-0.4	1.4	0.0	-0.2	1.8

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

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Breakdown of government spending by functions of social protection and health (COFOG)

Social protection and health care are on average the most important spending categories in OECD countries. The availability of data for OECD-EU countries and some other OECD members allows these broad spending categories to be examined in greater detail. Social spending and health care are particularly important as many OECD-EU countries share common challenges. These are associated with the evolution of their demographic profiles (i.e. higher life expectancy and/or low fertility rates) alongside rapid technological change in the health sector and more expensive treatments.

On average, the most important spending category within social protection is old age pensions, which amounted to 10.5% of GDP in 2019, ranging from 13.8% in Greece to 3% in Ireland (Table 2.27). Between 2009 and 2019 spending on old age pensions increased by 2.4 p.p as a share of total social protection spending., the largest increase within all social protection categories. Unemployment benefits (2.8 p.p.) decreased the most (Online Table G.18).

The second largest category within social spending is sickness and disability benefits, averaging 2.7% of GDP in 2019, but ranging from 6.9% of GDP in Norway to 0.01% in Colombia. In the case of Norway spending in this category fell by 2.2 p.p of total social protection spending between 2009 and 2019 while it remained practically unchanged on average for the 22 OECD-EU countries. Spending on families and children is the third largest spending category, reaching 1.8% of GDP on average in OECD-EU countries and ranging from 4.2% of GDP in Denmark to 0.58% in Switzerland. Denmark has a generous system of family policies including extended parental leave, and children and youth allowances. Such systems seek to enable parents to reconcile work and family life, ensure that paid and unpaid work are shared more equally between men and women, and provide care solutions in the best interest of children. In Switzerland, child allowances exist on application. They are set at the cantonal level, paid by employers and funded through family compensation funds.

Hospital infrastructure, which includes fixed medical equipment and facilities, is the most important spending category of health care expenditure. It averaged 3.1% of GDP in OECD-EU countries in 2019, 2.7% in Australia, and 5.6% in the United Kingdom (Table 2.28). Between 2009 and 2019, spending on this category as a share of total health expenditures fell by 0.19 p.p. on average. This could be partially explained by a shorter average length of stay in hospitals. The second largest spending category within health care is outpatient services, amounting to 2.3% of GDP. This category includes services delivered at home or in consulting facilities, and it increased by 1.2 p.p. between 2009 and 2019. Finland (3.17%) and Sweden (3.16%) spent the most on outpatient services in 2019 while Switzerland (0.19%) and Estonia (0.58%) spent the least. The third largest category of healthcare spending is medical products, appliances and equipment, at 1.1% of GDP on average in OECD-EU countries, 0.77% in Australia and 0.46% in the United Kingdom. In the case of OECD-EU countries this category decreased by 1.5 p.p. as a share of total health spending between 2009 and 2019 (Online Table G.19).

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 A for details). Data on expenditures are disaggregated according to the classification of the Functions of Government (COFOG) into ten main functions (See Annex C for further information). 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

OECD (2020), *OECD Pensions Outlook 2020*, OECD Publishing, Paris, *https://doi.org/10.1787/67ede41b-en*.

OECD (2019), *Society at a Glance 2019: OECD Social Indicators*, OECD Publishing, Paris, *https://doi.org/10.1787/soc_glance-2019-en*.

OECD (2019), *Health at a Glance 2019: OECD Indicators*, OECD Publishing, Paris, *https://doi.org/10.1787/4dd50c09-en*.

Figure notes

2.27 and 2.28. Data for several non-European OECD countries (apart from Australia, Colombia, Israel and Japan) are not available. Data for Australia, Colombia and Japan refer to 2018 rather than 2019. Data for Costa Rica refer to 2017 rather than 2019.

G.16 to G.19. (Structure of government expenditures by function of social protection and health in 2019 and its change since 2009) are available online in Annex G.

2.27. Government expenditures by function of social protection as percentage of GDP, 2019

	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	2.19	3.95	0.00	2.21	0.55	0.22	0.24	0.00	0.41
Austria	1.77	12.56	1.34	2.02	1.17	0.09	0.98	0.01	0.18
Belgium	3.46	9.42	1.60	2.18	1.31	0.21	1.03	0.00	0.15
Colombia	0.01	6.42	..	0.80	..	0.19	0.98	..	0.27
Czech Republic	2.23	7.39	0.51	1.60	0.14	0.15	0.35	0.00	0.20
Denmark	4.35	8.24	0.01	4.21	1.91	0.65	1.56	0.01	0.49
Estonia	2.09	6.71	0.06	2.70	1.28	0.02	0.16	0.01	0.16
Finland	3.14	13.71	0.64	3.02	1.68	0.62	0.91	0.02	0.31
France	2.89	13.12	1.46	2.26	1.86	0.84	1.26	0.00	0.17
Germany	3.25	9.65	1.90	1.71	1.55	0.34	0.62	0.00	0.71
Greece	1.61	13.84	2.04	0.89	0.60	0.20	0.56	0.01	0.02
Hungary	2.18	6.36	0.81	2.06	0.25	0.08	0.79	0.01	0.18
Iceland	3.40	3.23	0.01	2.15	0.83	0.36	0.49	0.00	0.41
Ireland	1.66	2.99	0.57	1.29	0.82	1.15	0.27	0.00	0.16
Israel	2.85	5.13	0.56	1.31	0.31	0.18	0.47	0.00	0.35
Italy	1.79	13.54	2.59	0.95	1.12	0.03	1.04	0.01	0.06
Japan	0.88	10.99	1.45	1.89	0.27	0.00	0.29	0.00	0.36
Latvia	2.38	7.02	0.18	1.22	0.50	0.07	0.39	0.00	0.31
Lithuania	2.75	6.24	0.29	1.70	0.67	0.07	0.36	0.00	0.20
Luxembourg	3.00	9.50	0.00	3.54	1.01	0.08	0.74	0.00	0.16
Netherlands	4.13	6.46	0.06	1.43	1.34	0.44	1.58	0.01	0.00
Norway	6.92	7.38	0.18	3.42	0.31	0.13	0.87	0.05	0.43
Poland	2.03	9.53	1.64	2.84	0.26	0.03	0.30	0.00	0.10
Portugal	1.28	11.32	1.70	1.11	0.62	0.17	0.39	0.00	0.29
Slovak Republic	3.18	7.67	0.77	1.09	0.23	0.00	0.23	0.00	1.19
Slovenia	2.02	9.85	1.23	1.84	0.42	0.03	0.92	0.00	0.18
Spain	2.51	9.53	2.27	0.94	1.62	0.02	0.36	0.00	0.13
Sweden	3.59	10.41	0.21	2.47	1.07	0.27	0.99	0.00	0.01
Switzerland	2.88	6.51	0.29	0.58	1.01	0.02	1.56	0.01	0.01
United Kingdom	2.35	8.21	0.05	1.20	0.06	0.86	1.74	0.00	0.29
OECD-EU	2.72	10.49	1.60	1.76	1.30	0.33	0.82	0.00	0.28
Costa Rica	0.62	4.75	0.41	0.25	0.00	0.32	0.01	0.00	1.93
Romania	1.05	8.75	0.11	1.37	0.05	0.00	0.08	0.00	0.44

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

StatLink https://doi.org/10.1787/888934257128

2.28. Government expenditures by function of health as percentage of GDP, 2019

	Medical products, appliances and equipment	Outpatient services	Hospital services	Public health services	R&D Health	Health n.e.c.
Australia	0.77	0.67	2.65	0.32	0.22	2.70
Austria	1.12	1.54	4.66	0.18	0.46	0.31
Belgium	0.78	2.90	3.54	0.13	0.04	0.19
Colombia	4.68	..	..	0.20	0.04	0.18
Czech Republic	0.87	1.59	3.56	1.30	0.07	0.22
Denmark	0.54	1.21	5.70	0.13	0.21	0.45
Estonia	0.71	0.58	3.72	0.04	0.21	0.07
Finland	0.66	3.17	3.12	0.03	0.10	0.04
France	1.42	2.91	3.38	0.12	0.09	0.12
Germany	1.67	2.24	2.80	0.07	0.08	0.50
Greece	1.26	0.57	3.32	0.02	0.12	0.04
Hungary	0.80	1.26	1.96	0.15	0.03	0.34
Iceland	0.52	1.78	5.22	0.02	0.00	0.24
Ireland	0.68	1.79	1.78	0.12	0.01	0.35
Israel	0.71	1.47	3.03	0.11	0.00	0.10
Italy	0.99	2.47	2.84	0.30	0.09	0.12
Japan	1.27	2.97	2.80	0.46	0.01	0.17
Latvia	0.62	1.07	2.37	0.06	0.00	0.12
Lithuania	0.86	1.59	2.26	0.08	0.00	1.42
Luxembourg	1.69	1.06	2.02	0.04	0.17	0.07
Netherlands	0.75	2.54	3.57	0.24	0.36	0.25
Norway	0.50	1.99	5.17	0.29	0.41	0.32
Poland	0.07	1.45	3.11	0.07	0.09	0.11
Portugal	0.55	2.04	3.51	0.02	0.24	0.19
Slovak Republic	1.47	2.06	3.74	0.05	0.03	0.36
Slovenia	0.92	1.98	3.04	0.34	0.08	0.29
Spain	0.96	2.25	2.50	0.09	0.26	0.03
Sweden	0.74	3.16	2.50	0.22	0.19	0.18
Switzerland	0.00	0.19	1.67	0.10	0.10	0.05
United Kingdom	0.46	0.97	5.63	0.20	0.14	0.29
OECD-EU	1.11	2.28	3.06	0.16	0.13	0.24
Costa Rica	0.26	2.25	2.89	0.12	0.12	0.26
Romania	1.02	0.12	2.87	0.08	0.01	0.90

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

StatLink https://doi.org/10.1787/888934257147

Structure of government expenditures by economic transaction

Public expenditure can be classified by the economic nature of the transaction, for example payments of civil servants' wages (employee compensation), financing subsidies, cash transfers such as pensions or unemployment benefits (social benefits), or the procurement of goods or services from the private sector that are used as inputs in the government production (intermediate consumption). This classification is ancillary to government expenditures by function, as it distinguishes broader categories of the government's production function and its relationship with the economy.

According to this classification, in 2019, on average, social benefits represented 40.6% of all government expenditures among OECD countries. The highest levels are observed in Japan (55.1%), Germany (54.3%) and the Netherlands (49.7%) while the lowest were in Mexico (10.8%), Iceland (16.8%) and Israel (23%). Between 2007 and 2019 these transactions increased by 3.3 p.p. on average, with the greatest increase taking place in Korea (12.1 p.p.).

The second largest spending category is the compensation of employees, which amounted to 21.7% of total spending on average in 2019. Spending on employee compensation is highest in Iceland (32.7%) and Denmark (30.3%) and smallest in Colombia (16%) and Japan (13.9%). Between 2007 and 2019 this category fell by 0.5 p.p. on average. The most significant reductions were observed in Mexico (6.6 p.p), Australia (4.3 p.p) and Portugal (4.2 p.p.) while the largest increases took place in the Slovak Republic (3.8 p.p), the Czech Republic (3.7 p.p.) and Iceland (2.1 p.p.)

Among the 22 OECD-EU countries with available data, the share of spending on social benefits fell from 46.1% of total expenditure in 2019 to 45.5% in 2020. Compensation of public employees also fell during this period, from 21.7% to 20.5%. Such reductions, however, should be analysed carefully as other spending categories (i.e. subsidies and capital expenditures) increased significantly and added more to the increase of total spending. For example, subsidies to enterprises have been crucial in enabling economies to cope with the effects of the COVID-19 pandemic, and these have increased from 3.1% of total spending to 5.2%. Likewise, capital expenditures, including capital transfers and investments, increased from 8.5% to 9.2% of total spending (Table 2.29).

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 A for details on reporting systems and sources). 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 (2021), *OECD Economic Outlook, Interim Report March 2021*, OECD Publishing, Paris, *https://doi.org/10.1787/34bfd999-en*.

OECD (2019), *Budgeting and Public Expenditures in OECD Countries 2019*, OECD Publishing, Paris, *https://doi.org/10.1787/9789264307957-en*.

Figure notes

2.29. Data for Chile are not available. Data for Turkey are not included in the OECD average due to missing time series. Data for Japan, Brazil and Russia are for 2018 rather than 2019.

G.20. (Structure of central government expenditures by economic transaction, 2019 and 2020) is available online in Annex G.

2.29. Structure of general government expenditures by economic transaction, 2019 and 2020 and change 2007 to 2019

% of total expenditures	Intermediate consumption			Compensation of employees			Subsidies			Property income (incl. interest)			Social benefits			Other current expenditures			Capital expenditures		
	2019	2020	Change 2007-19 (p.p.)	2019	2020	Change 2007-19 (p.p.)	2019	2020	Change 2007-19 (p.p.)	2019	2020	Change 2007-19 (p.p.)	2019	2020	Change 2007-19 (p.p.)	2019	2020	Change 2007-19 (p.p.)	2019	2020	Change 2007-19 (p.p.)
Australia	19.6	..	1.2	22.5	..	-4.3	8.9	..	5.0	2.7	..	-1.4	28.6	..	-0.2	6.3	..	-0.8	11.4	..	0.5
Austria	12.9	11.8	0.6	21.7	19.7	0.3	3.0	9.2	0.0	2.9	2.3	-3.5	45.1	43.0	2.9	6.6	6.8	0.9	7.8	7.2	-1.3
Belgium	7.8	7.2	0.1	23.6	22.3	-0.1	7.2	8.5	1.4	3.8	3.3	-4.5	47.2	47.4	3.2	3.8	5.2	0.1	6.6	6.1	-0.2
Canada	17.7	15.0	-0.5	29.9	25.0	0.2	2.8	8.4	0.3	7.0	5.4	-3.0	29.3	34.2	3.0	3.2	3.1	-0.1	10.1	8.9	0.1
Colombia	12.2	..	-3.0	16.0	..	0.3	0.2	..	-0.1	5.7	..	-3.7	27.8	..	0.1	28.9	..	5.1	9.3	..	1.3
Czech Republic	14.3	12.9	-2.8	24.2	23.6	3.7	5.4	6.4	1.8	1.7	1.6	-0.9	37.2	37.9	0.7	4.8	4.8	0.5	12.4	12.8	-3.0
Denmark	17.2	16.6	1.1	30.3	28.5	-0.6	3.3	5.5	-0.5	1.5	0.9	-1.8	34.5	33.3	1.5	6.3	6.4	-0.4	6.8	8.7	0.7
Estonia	16.6	14.4	-0.3	29.5	28.0	1.7	1.2	3.5	-1.3	0.1	0.1	-0.4	34.5	34.5	6.0	4.5	5.0	-0.2	13.6	14.5	-5.5
Finland	20.1	20.0	1.4	23.4	22.5	-3.5	2.0	3.1	-0.6	1.5	1.2	-1.5	39.7	39.8	4.2	4.6	5.1	-0.5	8.5	8.3	0.5
France	8.9	8.7	0.0	22.0	21.4	-1.5	5.0	5.5	2.3	2.6	2.1	-2.5	45.7	46.8	2.0	7.1	7.3	0.6	8.6	8.3	-0.9
Germany	11.7	11.9	2.3	17.4	16.6	0.3	2.0	4.1	-0.3	1.8	1.3	-4.4	54.3	53.1	0.6	4.8	4.9	0.8	8.1	8.0	0.8
Greece	9.8	8.6	-4.5	25.0	22.1	1.4	2.1	5.9	1.9	6.3	4.9	-3.3	45.1	39.2	8.5	3.3	3.1	-0.5	8.5	16.1	-3.6
Hungary	18.0	16.1	5.3	22.4	20.5	-0.4	3.1	3.3	0.3	4.9	4.6	-3.2	26.6	24.7	-9.2	7.1	7.5	1.6	17.9	23.1	5.5
Iceland	24.9	23.7	0.0	32.7	32.4	2.1	2.7	4.2	-0.7	10.1	8.1	-4.2	16.8	20.0	4.7	3.9	3.9	0.1	9.0	7.8	-2.1
Ireland	14.4	14.1	0.7	26.4	23.9	-1.7	2.0	5.4	-0.6	5.1	3.5	2.3	36.2	37.5	3.4	4.3	4.1	-0.2	11.7	11.5	-3.9
Israel	22.1	..	-1.0	25.4	..	0.6	2.5	..	1.0	5.5	..	-6.3	23.0	..	3.4	11.9	..	0.8	9.7	..	1.4
Italy	11.6	11.0	0.9	19.9	18.3	-2.1	3.2	3.4	0.9	6.9	6.1	-3.2	46.7	47.1	6.1	4.5	4.5	-0.1	7.1	9.5	-2.4
Japan	9.4	..	-0.4	13.9	..	-3.1	1.4	..	-0.1	4.2	..	-1.3	55.1	..	5.2	3.8	..	0.4	12.2	..	-0.8
Korea	11.1	..	-1.8	20.4	..	-2.7	2.0	..	0.4	3.3	..	-3.2	32.5	..	12.1	11.2	..	0.2	19.5	..	-5.1
Latvia	16.6	14.5	0.2	28.3	27.1	-1.1	2.5	2.9	-0.1	1.8	1.5	0.7	31.6	31.4	9.3	6.4	7.5	-2.8	12.9	15.1	-6.3
Lithuania	12.7	10.5	-1.8	29.4	26.4	1.7	1.1	6.2	-1.4	2.5	1.6	0.6	40.2	39.1	8.3	4.7	4.8	0.9	9.5	11.4	-8.3
Luxembourg	9.9	9.4	0.4	23.5	22.6	-0.4	2.5	2.5	-0.3	0.8	0.5	0.0	42.9	43.8	0.3	8.4	7.7	1.0	12.0	13.4	-1.1
Mexico	11.8	..	0.7	30.3	..	-6.6	1.5	..	-2.2	10.3	..	0.0	10.8	..	3.3	25.1	..	11.5	10.1	..	-6.8
Netherlands	14.0	12.9	-1.1	19.6	18.4	0.3	2.8	10.3	0.0	1.8	1.5	-2.8	49.7	45.3	5.4	3.9	4.2	-0.9	8.1	7.4	-1.0
New Zealand	15.4	..	-0.5	22.7	..	-1.2	4.0	..	3.2	3.0	..	-0.4	35.5	..	-1.3	5.6	..	-1.1	13.8	..	1.3
Norway	14.8	14.2	0.9	29.7	28.2	0.9	3.6	4.5	-0.1	1.0	0.8	-5.2	32.8	33.1	-0.2	5.9	6.2	0.8	12.2	12.9	2.9
Poland	13.6	12.2	-0.7	24.7	22.4	0.3	1.2	7.9	-0.9	3.3	2.6	-1.8	41.2	38.4	3.9	4.8	4.7	-0.8	11.2	11.8	0.0
Portugal	12.3	11.5	0.1	25.2	24.2	-4.2	0.9	3.7	-0.8	7.0	5.9	0.3	42.6	40.9	6.0	5.2	5.3	0.1	6.9	8.5	-1.5
Slovak Republic	13.1	12.6	-1.1	24.0	23.9	3.8	2.3	2.8	0.0	2.9	2.6	-1.0	43.5	44.3	-1.1	4.7	4.4	0.3	9.5	9.3	-1.0
Slovenia	14.1	12.7	1.1	26.1	24.3	1.9	1.7	7.6	-2.0	3.9	3.1	1.1	40.2	37.9	0.9	4.0	5.3	-0.4	9.9	9.0	-2.6
Spain	12.2	11.3	-0.6	25.7	24.0	0.3	2.4	3.7	-0.4	5.4	4.3	1.4	43.9	44.6	8.6	3.7	3.5	-0.5	6.7	8.7	-8.6
Sweden	16.0	15.4	0.0	25.6	24.7	0.6	3.3	5.3	0.4	1.2	0.9	-2.5	32.2	31.6	-0.5	11.3	11.7	0.1	10.4	10.3	1.9
Switzerland	14.4	..	1.2	22.2	..	0.1	9.4	..	0.1	0.9	..	-2.7	33.4	..	-0.3	7.4	..	1.1	12.3	..	0.4
Turkey	13.8	..	..	24.5	..	..	4.8	..	..	7.2	..	..	35.0	..	..	3.1	..	..	11.6	..	..
United Kingdom	19.6	20.2	-0.3	22.3	19.9	-2.5	2.5	11.0	1.0	5.2	3.7	0.0	36.3	32.6	1.9	4.5	4.0	-1.6	9.6	8.6	1.5
United States	16.5	..	-1.6	24.4	..	-2.2	0.9	..	-0.1	10.6	..	-0.3	37.9	..	6.3	0.6	..	0.0	9.0	..	-2.1
OECD	14.1	..	-0.5	22.5	..	-1.5	2.3	..	0.3	6.3	..	-1.6	40.6	..	3.9	4.7	..	0.7	9.6	..	-1.4
OECD-EU	11.9	11.4	0.5	21.7	20.5	-0.5	3.1	5.2	0.6	3.4	2.8	-2.7	46.1	45.5	3.3	5.3	5.4	0.2	8.5	9.2	-1.4
Brazil	8.0	..	..	20.3	..	..	0.6	..	..	12.8	..	..	39.5	..	..	15.7	..	..	3.1	..	..
Costa Rica	8.2	..	0.0	30.7	..	-3.3	0.0	..	0.0	9.5	..	-0.4	11.4	..	2.9	29.3	..	1.3	10.9	..	-0.6
Indonesia	16.6	..	..	22.4	..	..	5.2	..	..	7.6	..	..	1.2	..	..	23.1	..	..	24.0	..	..
Romania	15.4	14.0	-1.6	31.1	28.6	5.8	1.0	2.3	-3.0	3.2	3.4	1.4	32.7	31.8	6.5	4.2	5.2	-0.8	12.3	14.6	-8.3
Russia	16.7	..	..	27.1	..	..	1.5	..	..	2.3	..	..	29.4	..	..	8.9	..	..	14.2	..	..

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://doi.org/10.1787/888934257166

Revenue and expenditure structure by level of government

Depending on their administrative structure, central, state and local governments have greater or less autonomy over revenue collection. In 2019, central governments in OECD countries collected on average slightly more than half (53.3%) of general government revenues, state governments collected 21.1%, social security funds 16.2% and local governments 9.1% (Figure 2.30).

Between 2007 and 2019, the composition of revenues in OECD countries changed moderately: on average, central governments' share of revenue increased by 0.2 p.p. and state governments' by 1.7 p.p. The share fell for local governments (1.4 p.p.) and social security funds (0.5 p.p.) (Online Figure G.21). Between 2019 and 2020, among OECD-EU countries, central governments' share increased by 0.9 p.p., local governments' by 0.1 p.p., while state governments' share fell 0.2 p.p. and social security funds' share by 0.8 p.p. These changes need to be understood in context: government revenues overall fell in 2020 due to the COVID-19 pandemic.

Different levels of government are responsible for different functions. For example, central government is usually responsible for foreign affairs and defence, while local governments often provide education and health services. However, different administrative systems allocate spending responsibilities differently and grant more or less autonomy over how resources are used. There are also several government functions that require coordination across governmental levels and that are amenable to different funding arrangements. In 2019, on average, central government carried out 41.3% of public expenditure in OECD countries, state and local governments 38.8%, and social security funds 19.9% (Figure 2.31).

Between 2007 and 2019, the balance has tilted towards social security, albeit with wide variations across countries: on average, the share of social security fund expenditure increased by 1.2 p.p. and central government increased by 0.3 p.p., while sub-central government fell by 1.5 p.p (Online Figure G.22). Between 2019 and 2020, in OECD-EU countries, central government spending increased most (1.2 p.p.) with a slight increase for state governments (0.1 p.p.). These levels have been responsible for most of the financial aid aimed at alleviating the economic effects of the pandemic.

Methodology and definitions

Revenues and 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 standards for national accounting. The 2008 SNA framework has been implemented by all OECD countries (see Annex A for details). 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, Korea, Turkey, Costa Rica and Indonesia. This is in order to see the contribution of each sub-sector to general government total revenues and expenditures, which are consolidated at this level.

Revenues include taxes (e.g. on consumption, income, wealth), net social contributions (e.g. contributions to 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). The aggregates were constructed using sub-account items (see Annex B). 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

Kim, J. and S. Dougherty (eds.) (2020), *Ageing and Fiscal Challenges across Levels of Government*, OECD Fiscal Federalism Studies, OECD Publishing, Paris, *https://doi.org/10.1787/2bbfbda8-en*.

Vammalle, C. and I. Bambalaite (2021), "Funding and financing of local government public investment: A framework and application to five OECD Countries", *OECD Working Papers on Fiscal Federalism*, No. 34, OECD Publishing, Paris, *https://doi.org/10.1787/162d8285-en*.

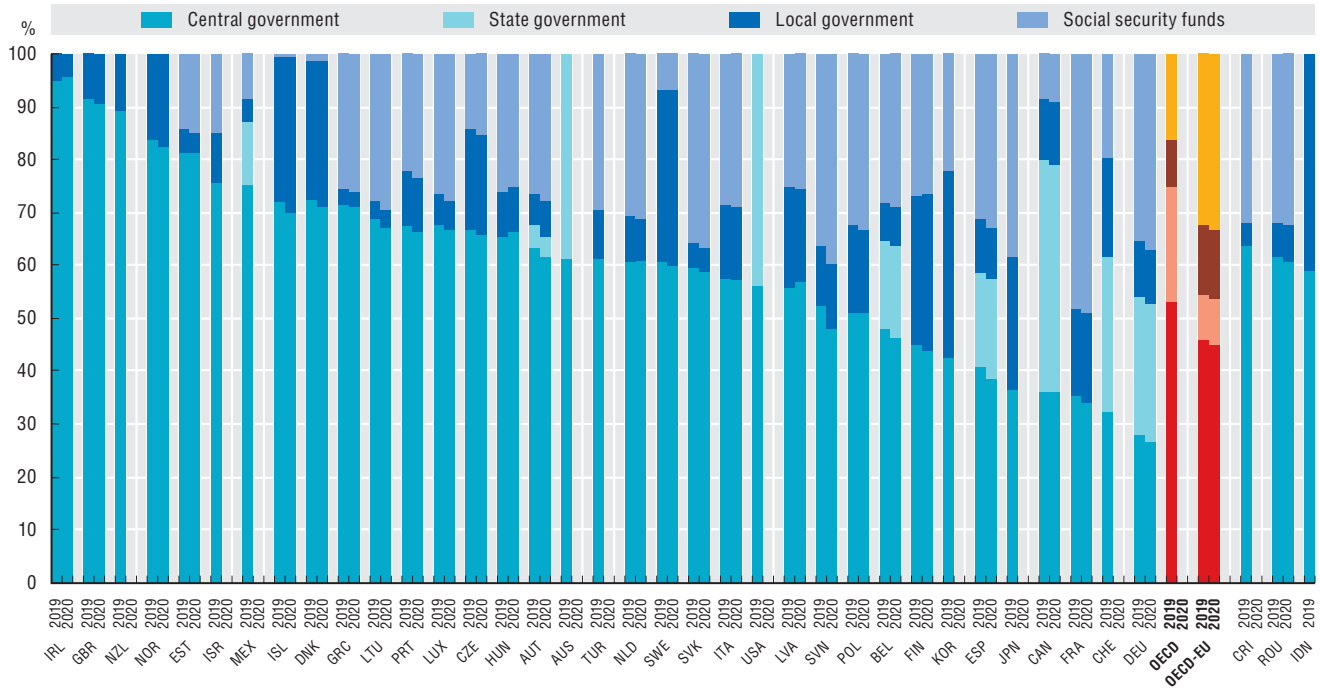
OECD (2020), *Pilot Database on Regional Government Finance and Investment: Key Findings*, OECD Publishing, Paris, *www.oecd.org/cfe/regionaldevelopment/REGOFI_Report.pdf*.

Figure notes

Data for Chile and Colombia are not available. Data for Turkey are not included in the OECD average due to missing time series. Flows between levels of government are excluded (apart from Australia, Korea, Turkey, Costa Rica and Indonesia). For Japan data for sub-sectors of general government refer to fiscal years and are for 2018 rather than 2019. 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 Ireland, New Zealand, Norway, the United Kingdom and the United States.

G.21 and G.22. (Changes in the distribution of revenues and expenditures by levels of government, 2007 to 2019) are available online in Annex G.

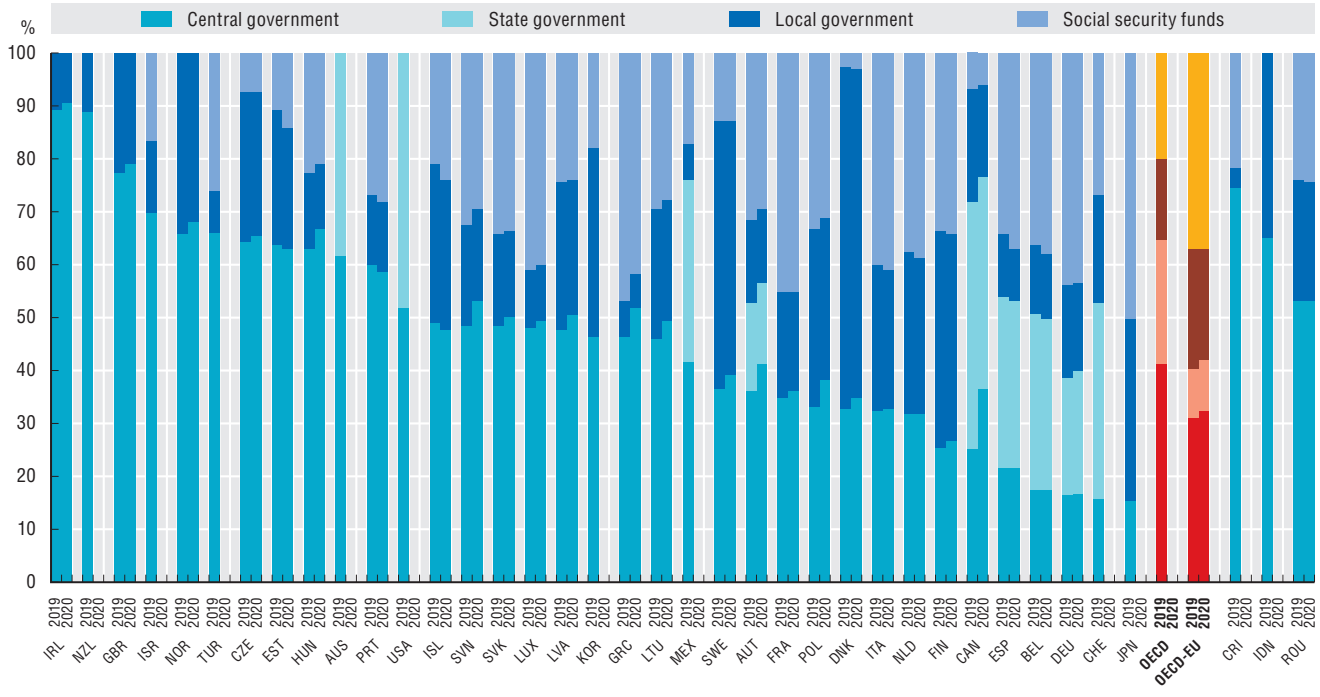
2.30. Distribution of general government revenues across levels of government, 2019 and 2020



Source: *OECD National Accounts Statistics* (database).

StatLink https://doi.org/10.1787/888934257185

2.31. Distribution of general government expenditures across levels of government, 2019 and 2020



Source: *OECD National Accounts Statistics* (database).

StatLink https://doi.org/10.1787/888934257204

Government investment spending

Public investment can enhance productivity and promote economic growth as well as foster societal wellbeing. Many types of government expenditure constitute investment: purchases of transport and energy infrastructure, school and hospital buildings, IT systems, defence systems, and intangible assets. Government investment often includes purchases needed to implement long-term policies, such as investment in green energy infrastructure to support action on climate change.

Government investment spending averaged 3.3% of GDP across OECD countries in 2019, ranging from 1.3% of GDP in Mexico to 6.3% of GDP in Hungary. Five out of the ten governments spending the largest proportion of GDP on investment were Eastern European countries, partly as a result of EU structural funds. Hungary's high levels of government investment in 2019 were driven by both EU structural funds and by nationally funded investment projects in transport and telecommunications. In 2020, government investment relative to GDP increased in 25 of the 26 OECD countries for which data are available (Figure 2.32). This may reflect investment in response to COVID-19, or it may be the result of GDP falling more quickly than investment in 2020.

Government investment as a share of government expenditures has been falling, and this trend appears to have accelerated in 2020. On average across OECD countries, government investment fell from 9.3% of government expenditure in 2007 to 8.1% in 2019. Over that period, investment's share of government expenditures shrank in 21 of 36 OECD countries. In 2020, in the 26 countries with data available, government investment as a share of government expenditure fell in 19 of them (Figure 2.33). However, this should not necessarily be interpreted as meaning governments are actively cutting public investment. Rather, it reflects the very rapid growth in current government expenditures in 2020, on income support schemes and other COVID-19 responses.

The proportion of investment expenditure which was managed by central government increased between 2019 and 2020 in 20 of 27 OECD countries for which data are available. The distribution of investment expenditure across levels of government varies widely, and is different for federal and non-federal countries. In 2019, on average across OECD countries, 40% of government investment was carried out by national governments, and roughly 30% each by state and local governments. However, only 9 out of 37 OECD members have state governments which spent on investment. In 20 of 35 OECD countries, central government accounted for more than 50% of government investment. In general, government investment in more centralised countries (e.g. Turkey, Hungary, the United Kingdom) is primarily managed by national government, in countries with more decentralised structures (e.g. Canada, Belgium, Mexico and Spain) it is primarily managed by state and local governments (Figure 2.34).

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 A for details). 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

Fournier, J. (2016), "The positive effect of public investment on potential growth", *OECD Economics Department Working Papers*, No. 1347, OECD Publishing, Paris, *https://doi.org/10.1787/15e400d4-en*.

OECD (2019), *OECD Economic Surveys: Hungary 2019*, OECD Publishing, Paris, *https://doi.org/10.1787/eco_surveys-hun-2019-en*.

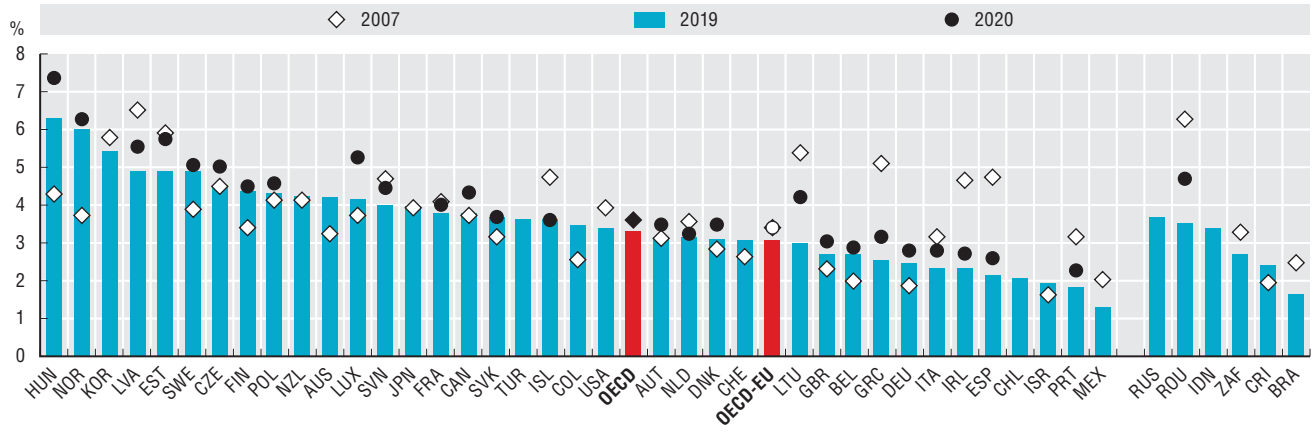
Figure notes

2.32 and 2.33. Data for Chile and Turkey are not included in the OECD average because of missing time series. Data for Japan, Brazil and Russia are for 2018 rather than 2019.

2.34. Data for Chile and Colombia are not available. Data for Turkey are not included in the OECD average due to missing time series. 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 Ireland, New Zealand, Norway, the United Kingdom and the United States. Data for Japan are for 2018 rather than 2019.

G.23. (Government investment as a share of total investment) and G.24. (Structure of general government investment by function) are available online in Annex G.

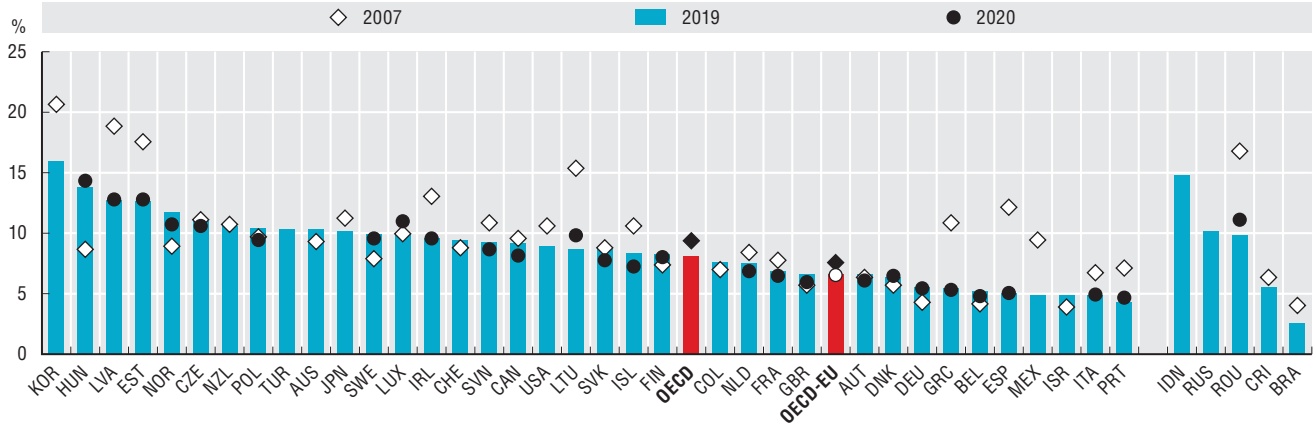
2.32. Government investment as a percentage of GDP, 2007, 2019 and 2020



Source: OECD *National Accounts Statistics* (database).

StatLink https://doi.org/10.1787/888934257223

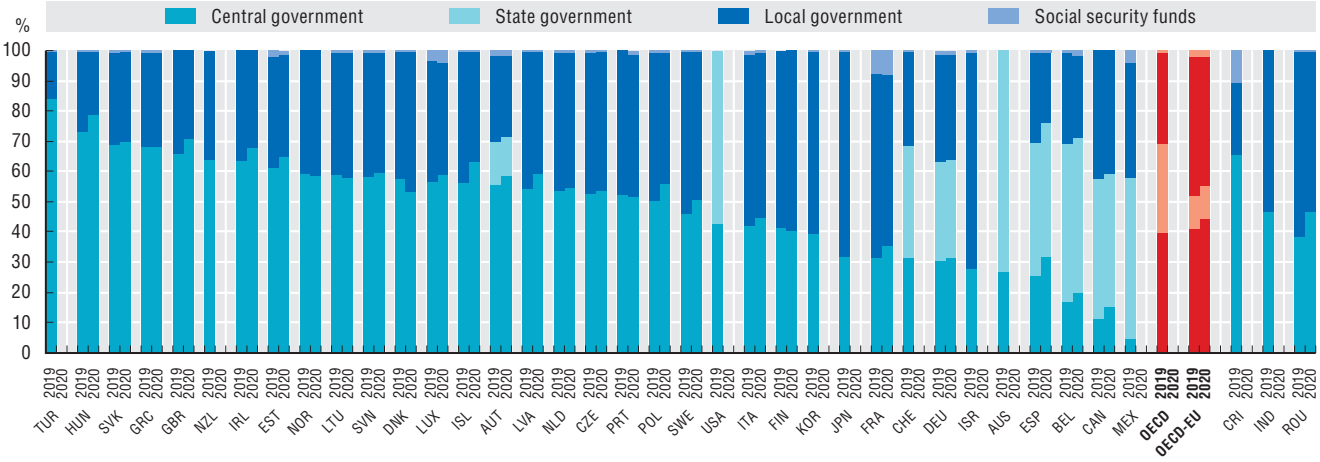
2.33. Government investment as a share of total government expenditures, 2007, 2019 and 2020



Source: OECD *National Accounts Statistics* (database).

StatLink https://doi.org/10.1787/888934257242

2.34. Distribution of investment spending across levels of government, 2019 and 2020



Source: OECD *National Accounts Statistics* (database).

StatLink https://doi.org/10.1787/888934257261

Production costs and outsourcing of general government

The production costs of government are public expenditures on the goods and services which government uses, primarily wages and purchases of goods and services. Government spending that does not involve a purchase – for example, social welfare, unemployment benefits and other transfers – is not a production cost. 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 20.6% of GDP across OECD members in 2019. Sweden (29.7%), Finland (29.6%) and Norway (28.8%), all Scandinavian countries, have the highest production costs in terms of GDP, reflecting both the widespread provision of publicly funded services and relatively high costs. Mexico spent the least in the OECD (11.8%). Among other factors, this is explained by relatively fewer services, and the wealthiest segments of the population opting for private service providers. Government production costs were largely stable in most countries from 2007 to 2019. However, they rose in all 26 countries for which data are available for 2020, with spending increases on both employee compensation and goods and services. The largest rise was in the United Kingdom (3.9 p.p. of GDP). This was driven primarily by expenditure on goods and services increasing by 2.6 p.p. (Figure 2.35).

The structure of production costs varies across countries. In 25 of 36 OECD countries, employee compensation made up the largest share in 2019, averaging 44.5% of production costs, or 9.2% of GDP. Wage expenditures are not necessarily related to either the average wage levels in a country or the structure of the government. Denmark (54.6%) and the Netherlands (29.8%) spent very different shares of production costs on employee compensation, despite having nearly identical GDP per capita. Ireland (48.4%) and Canada (48.8%) spent almost identical shares, even though Ireland has a highly centralised government and Canada a federal system. Purchases of goods and services used and financed by government are the second largest element of production costs in 25 of 36 OECD members. They averaged 42.7% of production costs, or 8.8% of GDP, in 2019 (Figure 2.36).

On average, governments spent 8.8% of GDP on outsourced expenditure in 2019 (Figure 2.37). Of this, 65% was spent contracting non-government economic actors to provide goods and services used directly by the government (e.g. government IT systems) and 35% on providing goods and services to citizens (Online Figure G.25). These may include health care, housing, transport or education. Outsourcing costs increased notably in 2020. All 26 countries with data available increased expenditure as a percentage of GDP on both categories of outsourcing in 2020 (Figure 2.37).

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 A 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 less 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 (2020), *OECD Economic Surveys: United Kingdom 2020*, OECD Publishing, Paris, *https://doi.org/10.1787/2f684241-en*.

OECD (2019), *OECD Economic Surveys: Sweden 2019*, OECD Publishing, Paris, *https://doi.org/10.1787/c510039b-en*.

Figure notes

Data for Japan, Brazil and Russia are for 2018 rather than 2019.

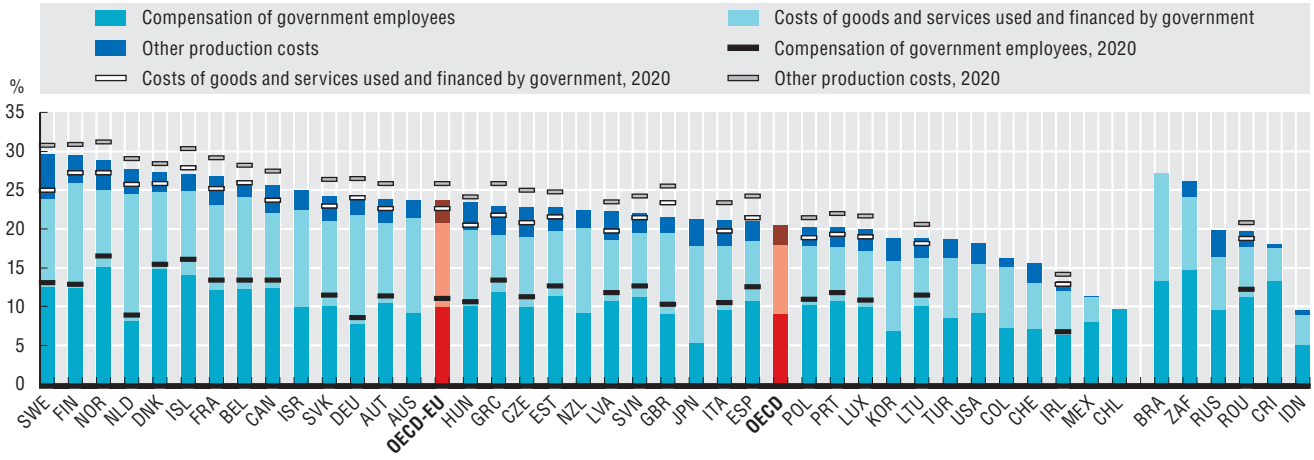
2.35. Data for Chile and Turkey are not included in the OECD average because of missing time series or main non-financial government aggregates.

2.36 and 2.37. Data for Chile are not available. Data for Turkey are not included in the OECD average because of missing time series.

2.37. Iceland, Mexico, the United States, Indonesia and South Africa do not account separately for goods and services financed by general government in their national accounts.

G.25. (Structure of government outsourcing expenditures, 2019) is available online in Annex G.

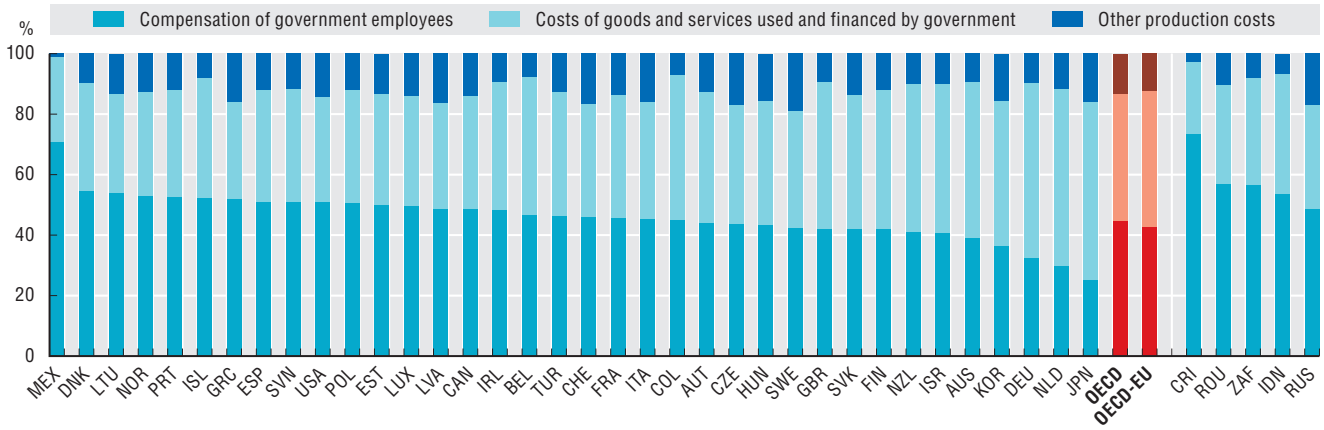
2.35. Production costs as a percentage of GDP, 2019 and 2020



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://doi.org/10.1787/888934257280

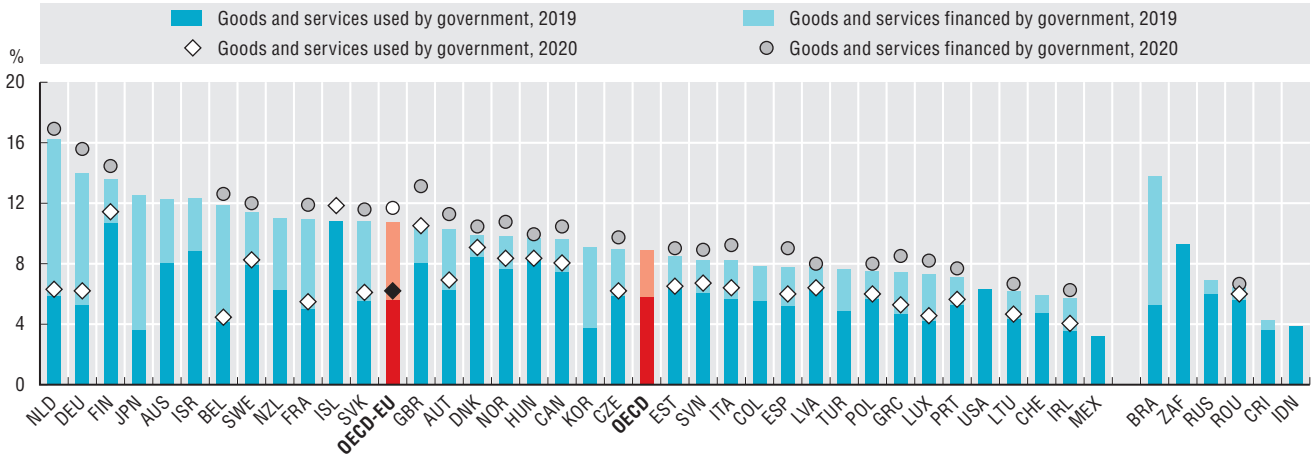
2.36. Structure of production costs, 2019



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://doi.org/10.1787/888934257299

2.37. Expenditures on general government outsourcing as a percentage of GDP, 2019 and 2020



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://doi.org/10.1787/888934257318

3. PUBLIC EMPLOYMENT

Employment in general government

General government employment across levels of government

Age profile of central government workforce

Gender equality in public sector employment

Gender equality in politics

Youth representation in politics

Gender equality in the judiciary

Employment in general government

The COVID-19 pandemic has highlighted the important role played by public employees in delivering essential services, keeping citizens healthy, safe and economically supported. Public employees are also central actors in the recovery that is taking shape, whether they are delivering vaccination strategies or designing and implementing plans for the recovery of economy and society. However, the roles and functions of the public sector relative to other sectors vary across OECD countries, affecting the relative size of public employment. Governments decide which services should be delivered directly through public organisations, or through various forms of partnerships with the private or not-for-profit sectors. 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. Nordic countries such as Norway, Sweden and Denmark report the highest levels of general government employment, reaching close to 30% of total employment. In contrast, Japan and Korea report the lowest levels among OECD countries, with general government employment making up only 6% of total employment in Japan and 8% in Korea. Despite the 2007-08 financial crisis and the austerity measures that followed, the share of general government employment has remained relatively stable since 2007, falling from 18.2% of total employment in 2007 to 17.9% in 2019. The largest falls have been in the United Kingdom and Israel where the share of general government employment fell by 3 p.p. between 2007 and 2019. However the share increased in Spain (2.1 p.p.), Estonia (2 p.p.), Mexico (1.3 p.p.), Slovenia (1.2 p.p.), Luxembourg (1 p.p.) and Norway (1.1 p.p.) over the same period (Figure 3.1).

Between 2007 and 2019, general government employment grew in 23 OECD countries. On average across OECD countries, total employment growth has been slightly outgrowing that of general government employment, reducing the share of general government employment by 0.3 p.p. over this period. The gap has widened the most in the United Kingdom and Israel. In the United Kingdom this has been due to a decline of general government employment of 0.6% per year on average at the same time as total employment surged by an average of 0.9% per year. In Israel it is the result of booming total employment (growing by 2.6% per year). Only 10 OECD countries have seen general government employment grow faster than total employment, with the greatest differences recorded in Spain (where the difference was 1.24 p.p.), Mexico (0.94 p.p) and Luxembourg (0.88 p.p) (Figure 3.2).

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 (2019), *Recommendation of the Council on Public Service Leadership and Capability*, OECD, *https://legalinstruments.oecd.org/%20en/instruments/OECD-LEGAL-0445*.

OECD (2017), *Skills for a High Performing Civil Service*, OECD Public Governance Reviews, OECD Publishing, Paris, *https://doi.org/10.1787/9789264280724-en*.

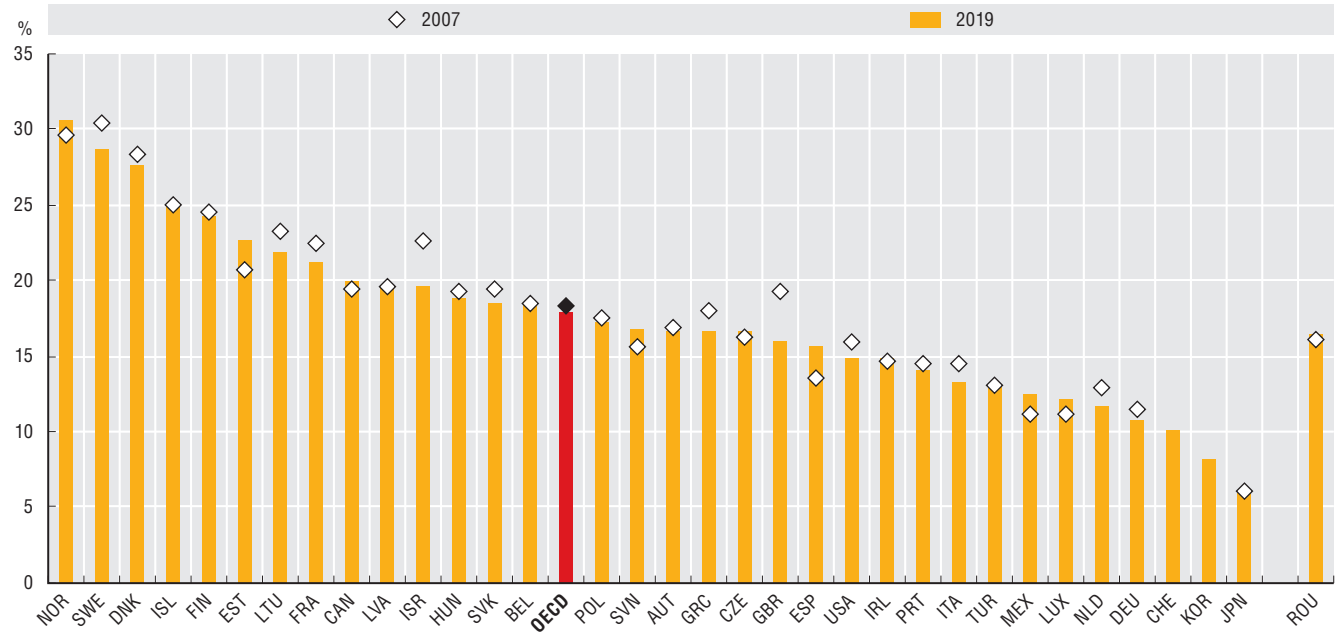
OECD (2016), *Engaging Public Employees for a High-Performing Civil Service*, OECD Public Governance Reviews, OECD Publishing, Paris, *https://doi.org/10.1787/9789264267190-en*.

Figure notes

3.1. Total employment refers to domestic employment. Data for Australia, Chile, Colombia and New Zealand are not available. Data for Korea and Switzerland are not included in the OECD average due to missing time series. Data for Luxembourg, Norway and Switzerland are for 2018 rather than 2019. Data for Japan are for 2017 rather than 2019. Data for Iceland and the United States are for 2008 rather than 2007.

3.2. Data for Australia, Chile, Colombia Korea, New Zealand and Switzerland are not available. Data for Luxembourg, Norway and Switzerland are for 2007-18 rather than 2007-19. Data for Japan are for 2007-17 rather than 2007-19. Data for Iceland and the United States are for 2008-19 rather than 2007-19.

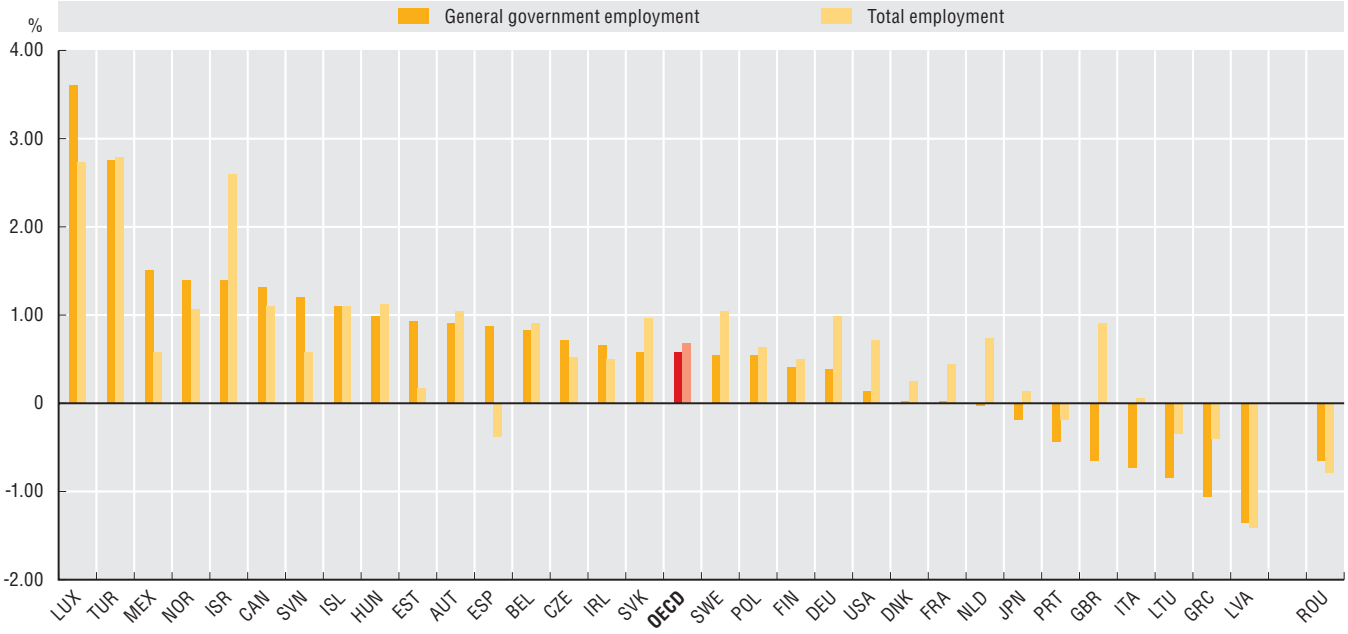
3.1. Employment in general government as a percentage of total employment, 2007 and 2019



Source: *OECD National Accounts Statistics* (database). Data for Iceland, Japan, Korea, Mexico, Switzerland, Turkey 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://doi.org/10.1787/888934257337

3.2. Annual average growth rate of general government employment and total employment, 2007-19



Source: *OECD National Accounts Statistics* (database). Data for Iceland, Japan, Mexico, Turkey 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://doi.org/10.1787/888934257356

General government employment across levels of government

The proportion of staff employed at sub-national levels of government is an indicator of the level of decentralisation of public administrations. Larger shares of government employees employed at the sub-national level suggests that local and regional governments have greater responsibility for providing public services. While decentralisation allows for greater responsiveness to local needs and priorities, it can also result in variations in service delivery within countries.

In 2019, general government employees employed at the sub-national level made up more than half of all general government employees in 17 OECD countries for which data were available. Federal states, such as Belgium, Germany, Spain and Switzerland, are among the countries with the largest share of general government employees working at the sub-national level. In contrast, unitary states, such as Ireland, Israel and Turkey, tend to have most general government workers concentrated at the central level. However, unitary but decentralised countries, such as Finland, Norway or Sweden, also prove to have a small share of central government employees (Figure 3.3).

Between 2013 and 2019, 19 OECD countries experienced increases of general government staff employed at the central level. On average across OECD countries with available information, the average annual growth rate in central government employment was almost stable at 0.6% over this period. The highest average annual growth rates were in Turkey (3.3% per year), Luxembourg (2.7%) and the United Kingdom (2.4%). Conversely, the number of general government staff employed at the central level fell the fastest in Estonia (by 3% per year), Spain (1.2%) and Lithuania (0.9%) (Figure 3.4). In the United Kingdom, the growth is specific to central government, as sub-national government employment has fallen since 2013, keeping the overall numbers of general government staff almost stable over this period. There are a variety of reasons for such changes in employment at the central level, for example they could be due to the age composition of the government workforce, capacity building, political decisions or administrative reforms.

Methodology and definitions

Data are from the International Labour Organization (ILO) ILOSTAT (database). The data are based on the *System of National Accounts* (SNA) definitions and cover employment in central and sub-national levels of government. Sub-national government is comprised of state and local government including regions, provinces and municipalities. Together the central and sub-national levels comprise general government. In addition, countries provided information on employment in the social security funds component of general government, which include all central, state and local institutional units whose principal activity is to provide social benefits. As social security funds refer to different levels of government, employment in this category has been recorded separately unless otherwise stated. However, in most countries, with the exceptions of France, Germany and Mexico, social security funds employ few staff and represent a small percentage of the total workforce. Data represent the total number of persons employed directly by each of those different levels of government and social security funds institutions. The following countries in the dataset are federal states: Belgium, Germany, Mexico, Spain (considered a quasi-federal country), Switzerland and the United States.

Further reading

OECD (2019), *Recommendation of the Council on Public Service Leadership and Capability*, OECD, *https://legalinstruments.oecd.org/%20en/instruments/OECD-LEGAL-0445*.

OECD (2017), *Skills for a High Performing Civil Service*, OECD Public Governance Reviews, OECD Publishing, Paris, *https://doi.org/10.1787/9789264280724-en*.

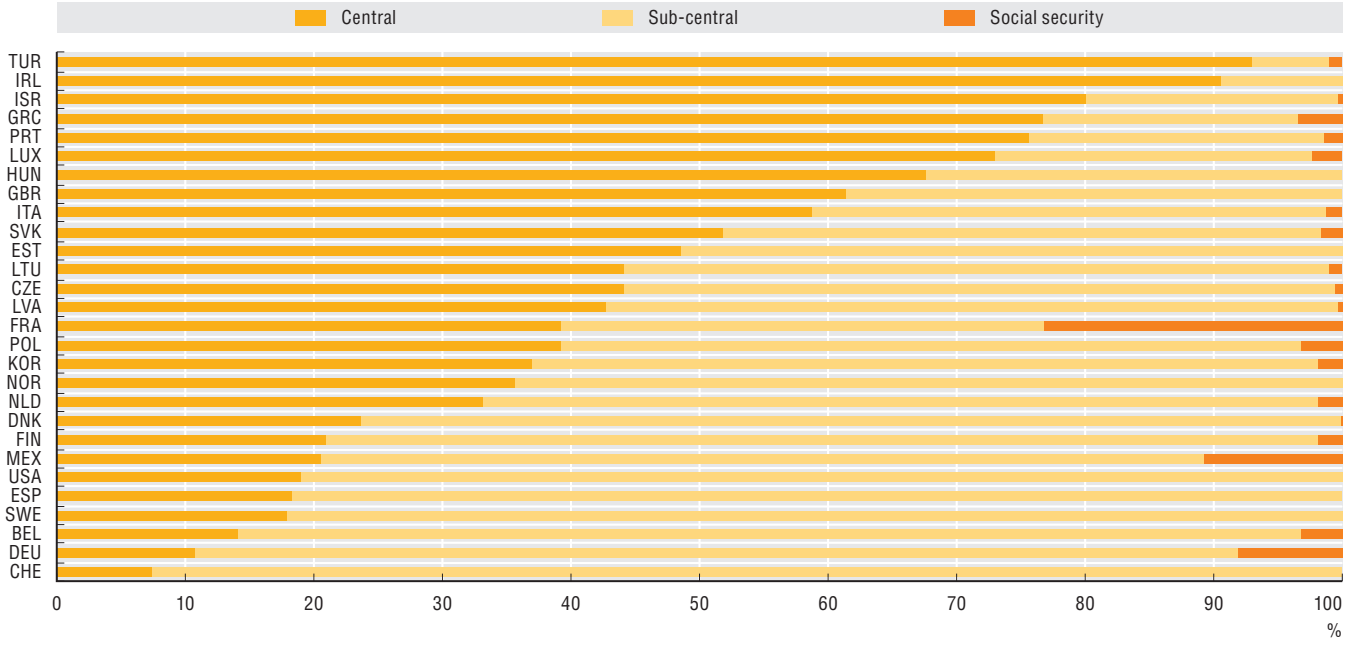
OECD (2016), *Engaging Public Employees for a High-Performing Civil Service*, OECD Public Governance Reviews, OECD Publishing, Paris, *https://doi.org/10.1787/9789264267190-en*.

Figure notes

Data for Australia, Austria, Canada, Chile, Iceland, Japan, New Zealand and Slovenia are not available. Data for Estonia, Greece and Spain are based on the Labour Force Survey. Social security funds are not separately identified (i.e. recorded under central and/or sub-national government) for Estonia, Ireland, Norway, Spain, Switzerland, the United Kingdom and the United States. For Poland other non-profit institutions (NPIs) have been redistributed between central and sub-national levels of government. Data for France, Hungary, Luxembourg, Poland, Portugal and Switzerland are for 2018 rather than 2019. Data for the Czech Republic, Denmark, Estonia, Greece, Latvia and Spain are for 2017 rather than 2019.

3.4. Data for Korea are not available.

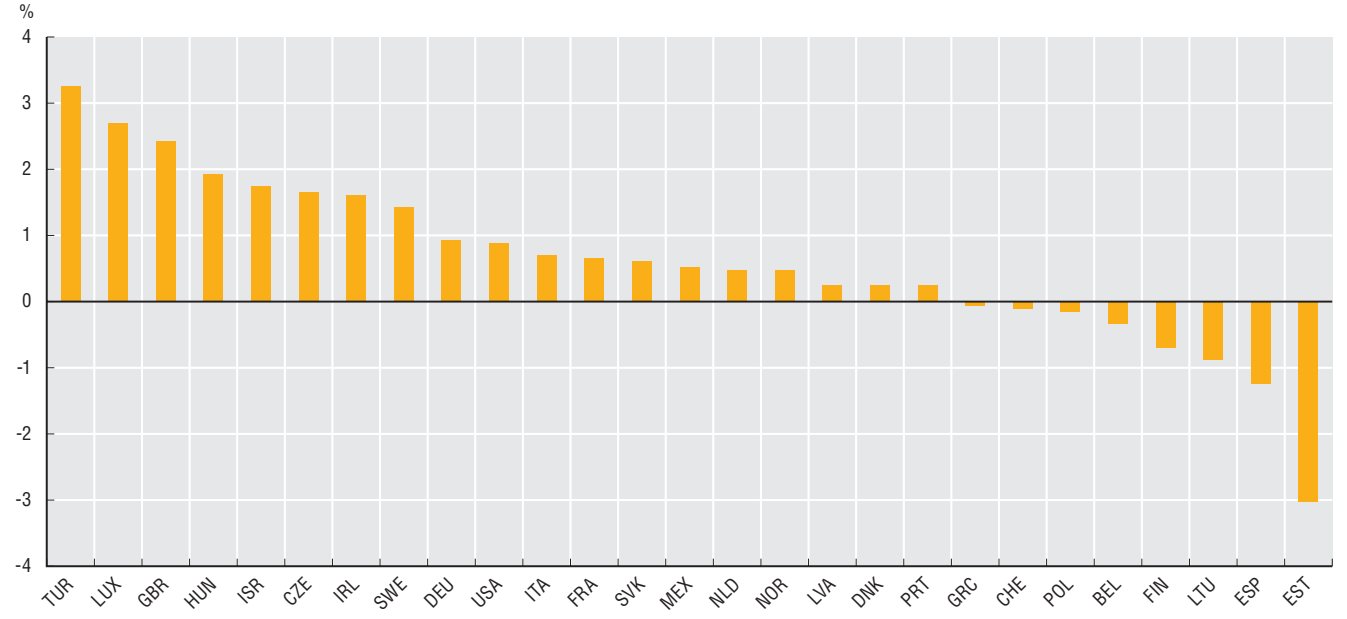
3.3. Distribution of general government employment across levels of government, 2019



Source: International Labour Organization (ILO), *ILOSTAT* (database), *Public employment by sectors and sub-sectors of national accounts.*

StatLink https://doi.org/10.1787/888934257375

3.4. Average annual growth rate of general government staff employed at the central level, 2013-19



Source: International Labour Organization (ILO), *ILOSTAT* (database), *Public employment.*

StatLink https://doi.org/10.1787/888934257394

Age profile of central government workforce

The age profile of the central government workforce can determine current and future workforce management challenges. On the one hand, governments with a predominantly older workforce may be well placed to draw on a wealth of experience, but may face challenges related to workforce renewal and building the next generation of public servants. On the other hand, countries with a predominantly younger central government workforce may be perceived as attractive to younger staff, but they may have to prioritise career development and the retention of more experienced staff. In all cases, a multi-generational public service workforce presents opportunities to combine the experience of long-serving staff with younger employees in development, for example through intergenerational work teams and mentoring programmes. This can help to ensure that the design of policies, programmes and services reflects different perspectives, making them more responsive to citizens' needs across all age cohorts. In this context, central administrations could examine their working arrangements and explore the development of talent management strategies to focus on the characteristics and preferences of individual cohorts of workers.

On average, the share of workers aged 55 and over in OECD central governments increased only slightly between 2015 and 2020, from 25% to 26%. However, this average hides large discrepancies across countries. For example, in Spain, the share of central government workers aged 55 and over increased significantly from 35% to 46%, and in Greece it increased from 27% to 37%. Italy remains the country with the largest share of older workers: 48% of the central government workforce in 2020 were 55 or older. A few OECD countries saw reductions in the share of older workers, such as Israel (from 23% to 19%) and Korea (from 12% to 9%). Not all OECD countries have a predominantly older central government workforce: in Australia, Hungary, Israel, Japan, Korea, Luxembourg and Turkey the share of people aged 55 and over is below 20% (Figure 3.5).

The share of younger workers (18-34 year-olds) also increased by 1 p.p. between 2015 and 2020, to reach 19% of the central government workforce. Over the same period, some countries experienced significant declines in this share of the workforce, including Germany (where the share fell from 30% to 17%), Lithuania (26% to 16%) and Latvia (30% to 21%). In contrast there were large increases in Korea (from 9% to 21%), Denmark (from 19% to 29%) and Israel (from 26% to 33%). This is particularly notable for Israel, which became, along with Turkey and Hungary, one of only three countries where 18-34 year-olds made up over 30% of the central government workforce (Figure 3.6).

Methodology and definitions

Data in central government by positions and gender were collected through the 2020 OECD Survey on the Composition of the Workforce in Central/Federal Governments and refer to the situation on 1 January 2020. Most respondents were senior officials in central government human resource management (HRM) departments, and the data refer to HRM practices in central government. The survey was completed by all OECD countries except Iceland, one OECD accession country (Costa Rica), and key partners Brazil and Romania. Data are missing for Chile. There are considerable variations in the definitions of public service as well as the organisations governed at the central level of government, which should be considered when making comparisons. Comparisons with the data from Government at a Glance 2017 should be made with caution, as the scope and number of country responses vary between the two.

Further reading

OECD (2019), *Recommendation of the Council on Public Service Leadership and Capability*, OECD, *https://legalinstruments.oecd.org/%20en/instruments/OECD-LEGAL-0445*.

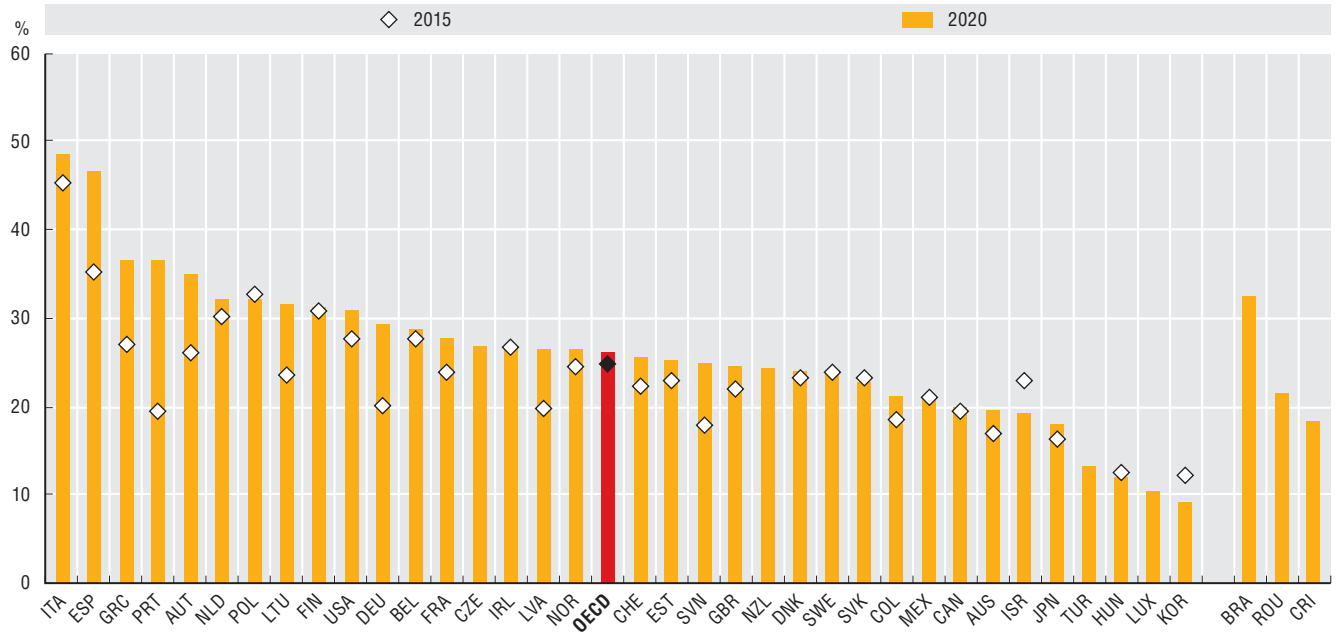
Paccagnella, M. (2016), "Age, ageing and skills: Results from the Survey of Adult Skills", *OECD Education Working Papers*, No. 132, OECD Publishing, Paris, *https://doi.org/10.1787/5jm0q1n38lvc-en*.

Figure notes

Data for France are for 31 December 2018. Data for Hungary are for 2018. Data for Luxembourg, the Netherlands and Poland are for December 2019. Data for Denmark and Finland are for February 2020. Data for Colombia are for March 2020. Data for Korea are for 31 December 2020. The age groups for 2020 for Hungary and Luxembourg are 18-35 years old and over 56 years old. The age groups for 2020 for Poland are under 30 and 50 years and over. Data for 2015 for Poland are for over 51-year-olds. Data for Estonia do not include higher public servants such as ministers, or the chancellor of justice, president or state controller.

Data for Greece and the United Kingdom are for 2016 rather than 2015. Data for Italy and France are for 2014 rather than 2015. Data for Estonia and Sweden for 2015 refer to full-time equivalents.

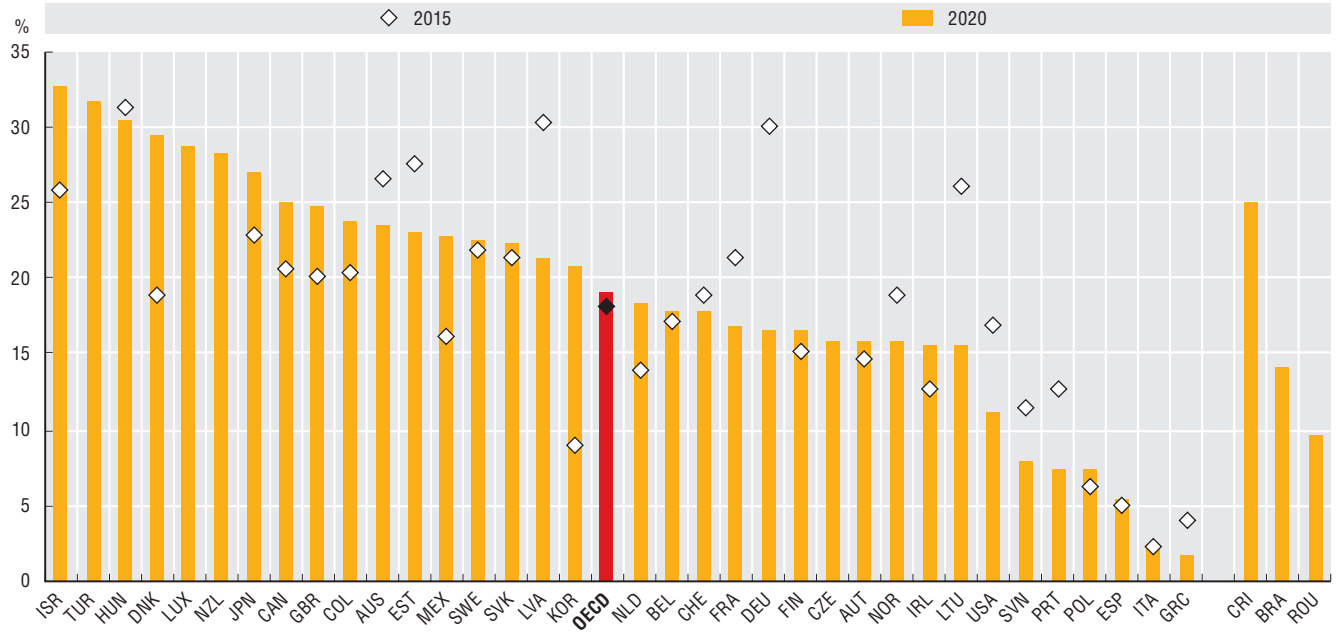
3.5. Percentage of central government employees aged 55 years or older, 2015 and 2020



Source: OECD (2020) *Survey on the Composition of the Workforce in Central/Federal Governments.*

StatLink https://doi.org/10.1787/888934257413

3.6. Percentage of central government employees aged 18-34 years old, 2015 and 2020



Source: OECD (2020) *Survey on the Composition of the Workforce in Central/Federal Governments.*

StatLink https://doi.org/10.1787/888934257432

Gender equality in public sector employment

A diverse and inclusive workforce can help to strengthen government performance by boosting innovation and enhancing core public service values (Nolan-Flecha, 2019). It can increase public service quality by providing services that reflect and meet the needs of the community, improving social dialogue and communication. The OECD Recommendations on Public Service Leadership and Capability and on Gender Equality in Public Life underscore the need to build diverse – including gender-diverse – workplaces and ensure equal access to under-represented groups. Equal representation of women and men in the public sector is a key indicator of progress towards gender equality and diversity.

In 2019, women made up a larger share of public sector employees in OECD countries on average (58%) than of total employment (45%) and this was the case in all OECD countries except Japan, Luxembourg and Turkey. The difference is more than 20 p.p. in Sweden, Finland, Norway and Denmark (Figure 3.7). 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". Many OECD countries are taking steps to eliminate this occupational segregation and tackle gender stereotypes (OECD, 2019b).

Few OECD countries achieve gender parity in senior central government positions (Figures 3.8 and 3.9). On average, 37% of senior positions are held by women. Latvia, Sweden, and Greece have the largest share of women in senior positions (53-56%) while Japan (4%) and Korea (9%) have the smallest. In almost all OECD countries, the share of women in middle and senior management is lower than for other central government positions, possibly indicating difficulties in climbing the leadership ladder. Only in Sweden do women make up a larger share of middle and senior management positions than for other central government positions, although in Colombia, Greece and Latvia, the share in middle management positions is larger than for other positions (Figure 3.8).

Since 2015, the share of women in senior positions grew in most countries, except France, Mexico, Poland and Lithuania, where it fell slightly. The increase was the greatest in the Slovak Republic (15 p.p.), Spain (14 p.p.) and Sweden (11 p.p.) (Figure 3.9). Policies that aim at gender balance in the most senior levels of administration, such as developing a diversity strategy or setting hiring targets for women, can attract more women into these roles. This will also contribute to more gender-responsive policy making.

Methodology and definitions

Data on public sector employment are from the 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 central government by position and gender were collected through the 2020 Composition of the Workforce in Central/Federal Governments survey and refer to the situation on 1 January 2020. Most respondents were senior officials in central government HRM departments, and data refer to HRM practices in central government. The survey was completed by all OECD countries except Iceland, one OECD accession country (Costa Rica), Brazil and Romania. Data are missing for Chile and Turkey. Definitions of public service as well as the organisations governed at the central level of government vary widely, which should be considered when making comparisons. For definitions of the occupation levels please refer to Annex D. Data for other positions in Figure 3.8 refer to all central administration positions, excluding senior and middle managers.

Further reading

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*.

OECD (2019a), *Recommendation of the Council on Public Service Leadership and Capability*, OECD, *https://legalinstruments.oecd.org/%20en/instruments/OECD-LEGAL-0445*.

OECD (2019b), *Fast Forward to Gender Equality: Mainstreaming, Implementation and Leadership*, OECD Publishing, Paris, *https://doi.org/10.1787/g2g9faa5-en*.

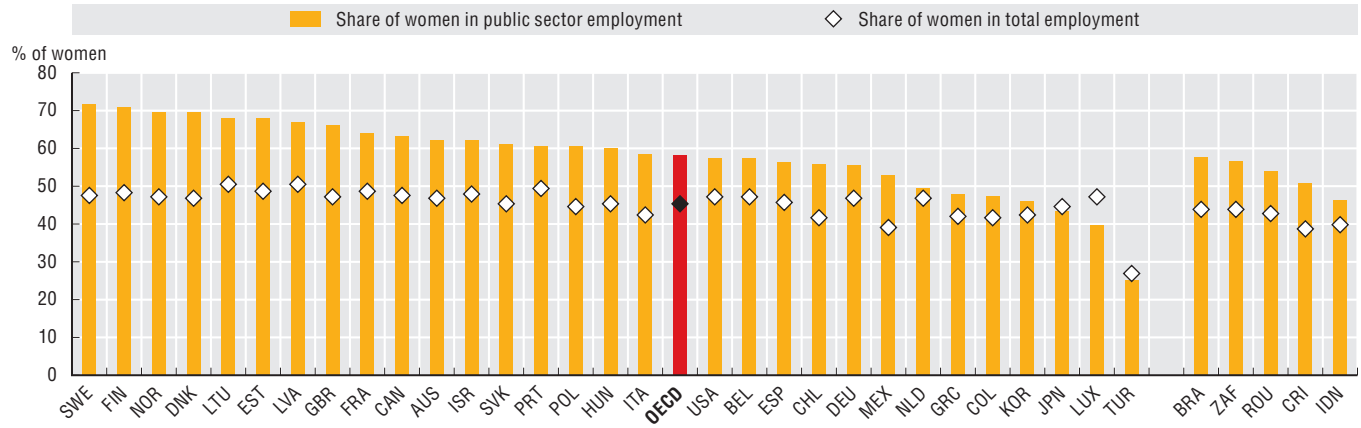
Figure notes

3.7. Data for Austria, the Czech Republic, Iceland, Ireland, New Zealand, Slovenia and Switzerland are not available. Data for Denmark, Germany and Latvia are based on administrative records or establishment survey. Data for Hungary, Luxembourg and the United Kingdom are for 2018. Data for Australia and Turkey are for 2017.

3.8. Data for middle management are not available for Austria and Luxembourg, so other positions refer to all central positions excluding senior managers. Data on middle management in Hungary reflect all management positions.

3.8 and 3.9. Data for Hungary are for 2018. Data for France refer to 31 December 2018. Data for Luxembourg, the Netherlands, Slovenia and Poland refer to December 2019. Data for Denmark and Finland refer to February 2020. Data for Colombia refer to March 2020. Data for Korea refer to December 31 2020. Data for Chile, Iceland and Turkey are not available. Senior management data for Austria refer only to D1.

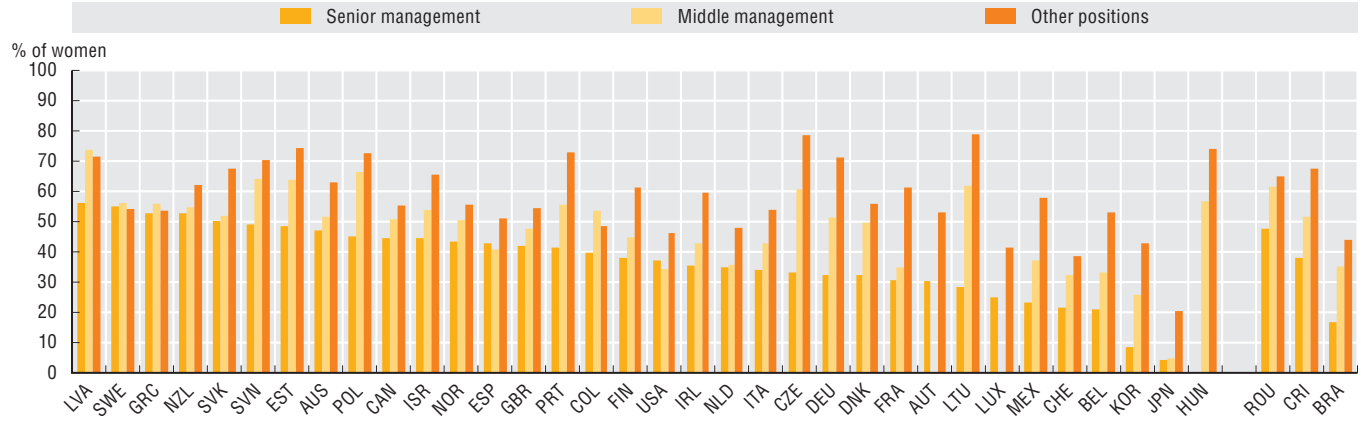
3.7. Gender equality in public sector employment and in total employment, 2019



Source: International Labour Organization (ILO) *ILOSTAT* (database), *Employment by sex and institutional sector*. Data for Israel, Italy, Korea and Portugal were provided by national authorities.

StatLink https://doi.org/10.1787/888934257451

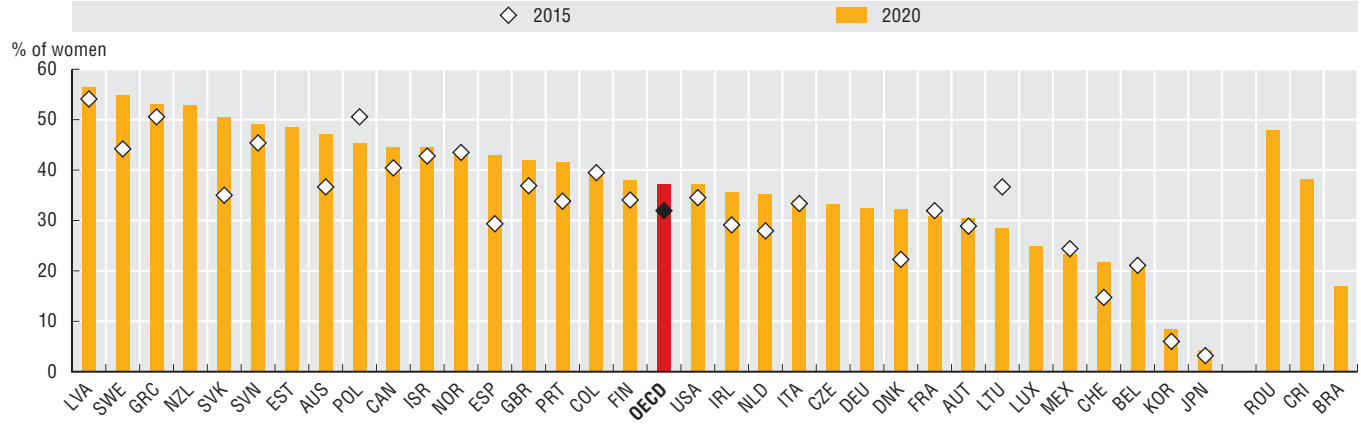
3.8. Gender equality by positions in central governments, 2020



Source: OECD (2020), *Survey on the Composition of the Workforce in Central/Federal Governments*.

StatLink https://doi.org/10.1787/888934257470

3.9. Gender equality in senior management positions in central governments, 2015 and 2020



Source: OECD (2020) *Survey on the Composition of the Workforce in Central/Federal Governments*; OECD (2016), *Survey on the Composition of the Workforce in Central/Federal Governments*.

StatLink https://doi.org/10.1787/888934257489

Gender equality in politics

Ensuring that the leaderships of public administrations and parliaments reflect the populations they serve – including their gender composition – can contribute to the fairness and responsiveness of these institutions. Achieving gender equality in politics requires more than women and men having an equal share of parliamentary seats and ministerial positions. It requires that women and men of all backgrounds have equal access to such positions and can subsequently participate in decision making on an equal basis. Achieving this entails putting in place inclusive work environments, facilitating equal access to leadership roles (e.g. chairs of parliaments and parliamentary committees), and removing socio-economic barriers to political participation (e.g. through gender-mainstreamed and targeted public policies).

On average across OECD countries, 31.6% of the seats in the lower/single houses of their parliaments were held by women in 2021, compared to 26% almost a decade ago. Women's representation ranged from over 48% in Mexico and New Zealand, to less than 20% in Colombia, Hungary, Japan, Korea and Turkey. Between 2017 and 2021, France, New Zealand and Latvia increased the share of women in the lower/single house parliaments by more than 13 p.p., with New Zealand achieving the most diverse government of its history (IPU, 2021). During the same period there have also been significant setbacks, with the share of women falling by 10 p.p. in Slovenia, 7.9 p.p. in Iceland and 5.5 p.p. in Germany (Figure 3.10).

A gender-balanced cabinet is a strong indicator of a government's commitment to gender equality. In 2021, on average across OECD countries, 34% of federal/central government ministerial positions were held by women, an increase of 6 p.p. since 2017. Women's representation in cabinet posts increased widely in OECD countries, with women holding 40% or more of the ministerial posts in 16 OECD countries. Furthermore, countries like Spain, Finland and France have reached 50% female representation in ministerial positions. Austria, Belgium and the United States have also achieved notable gains in women's representation in ministerial posts, with increases of over 29 p.p. since 2017 while Hungary, Korea and Portugal saw increases of over 18 p.p. In the case of the United States, for example, this can be correlated with the President's commitment to nominate a diverse cabinet and leadership. Despite this overall improvement, several countries have experienced setbacks. Between 2017 and 2021, women's participation in cabinet posts fell the most in Slovenia (31.3 p.p.), Poland (17.9 p.p.) and Estonia (14.3 p.p.) (Figure 3.11).

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 2021, 1 January 2017 and 31 October 2012. Percentages represent the number of women parliamentarians as a share of total filled seats. 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, they 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 ministers in national government were obtained from the Inter-Parliamentary Union's Women in Politics database. Data represent women appointed ministers as of 1 January of each year of reference. Data show women as a share of total ministers, including deputy prime ministers and ministers. Prime ministers/heads of government were also included when they held ministerial portfolios. Vice-presidents and heads of government or public agencies have not been included.

Further reading

IPU (2021), *Women in Parliament in 2020: The Year in Review*, Inter-Parliamentary Union, *www.ipu.org/women-in-parliament-2020*.

OECD (2019), *Fast Forward to Gender Equality: Mainstreaming, Implementation and Leadership*, OECD Publishing, Paris, *https://doi.org/10.1787/g2g9faa5-en*.

OECD (2018), Toolkit for Mainstreaming and Implementing Gender Equality, OECD website, *www.oecd.org/gender/governance/toolkit/*.

OECD (2016), *2015 OECD Recommendation of the Council on Gender Equality in Public Life*, OECD Publishing, Paris, *https://doi.org/10.1787/9789264252820-en*.

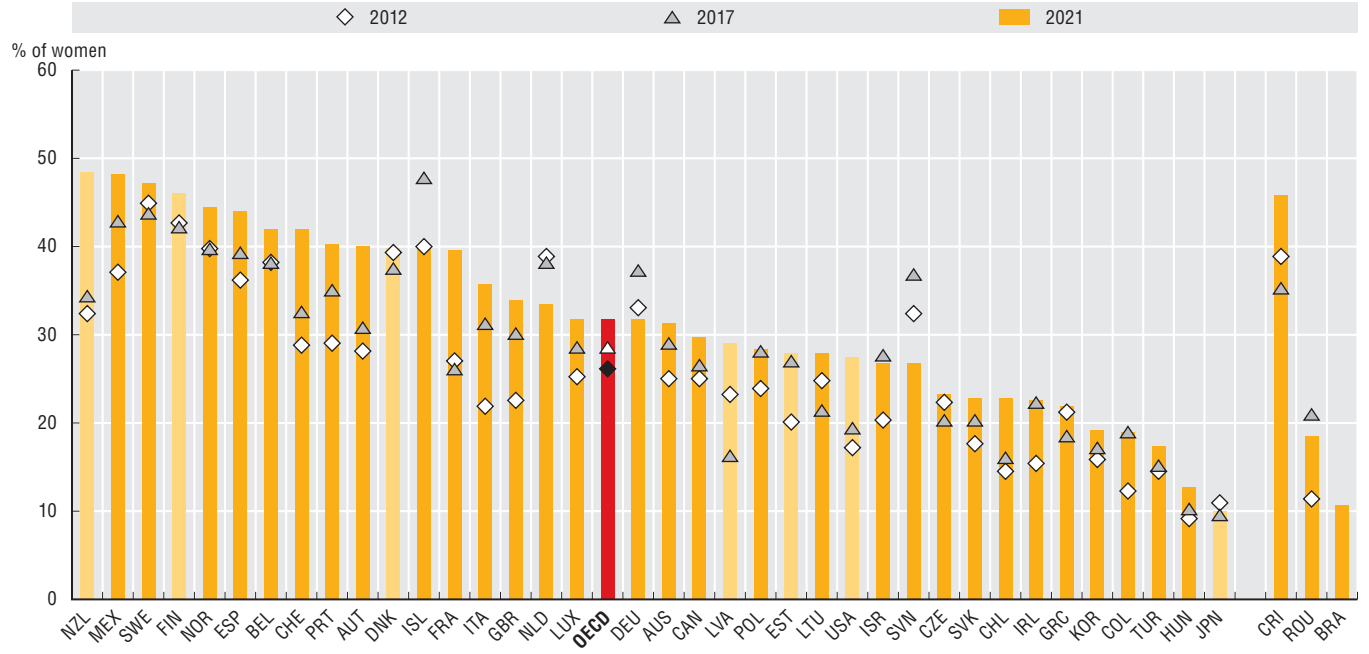
Figure notes

3.10. Countries in light orange represent lower or single house parliaments without electoral quotas as of February 2021. Data for Israel for 2021 correspond to the outgoing legislature as parliament was dissolved in December 2020 and new elections were yet to take place at the time of preparing this publication.

3.11. Data for the United States for 2021 correspond to the government appointed in January 2021 following elections held in 2020.

3.10. Gender equality in parliament and electoral gender quotas, 2012, 2017 and 2021

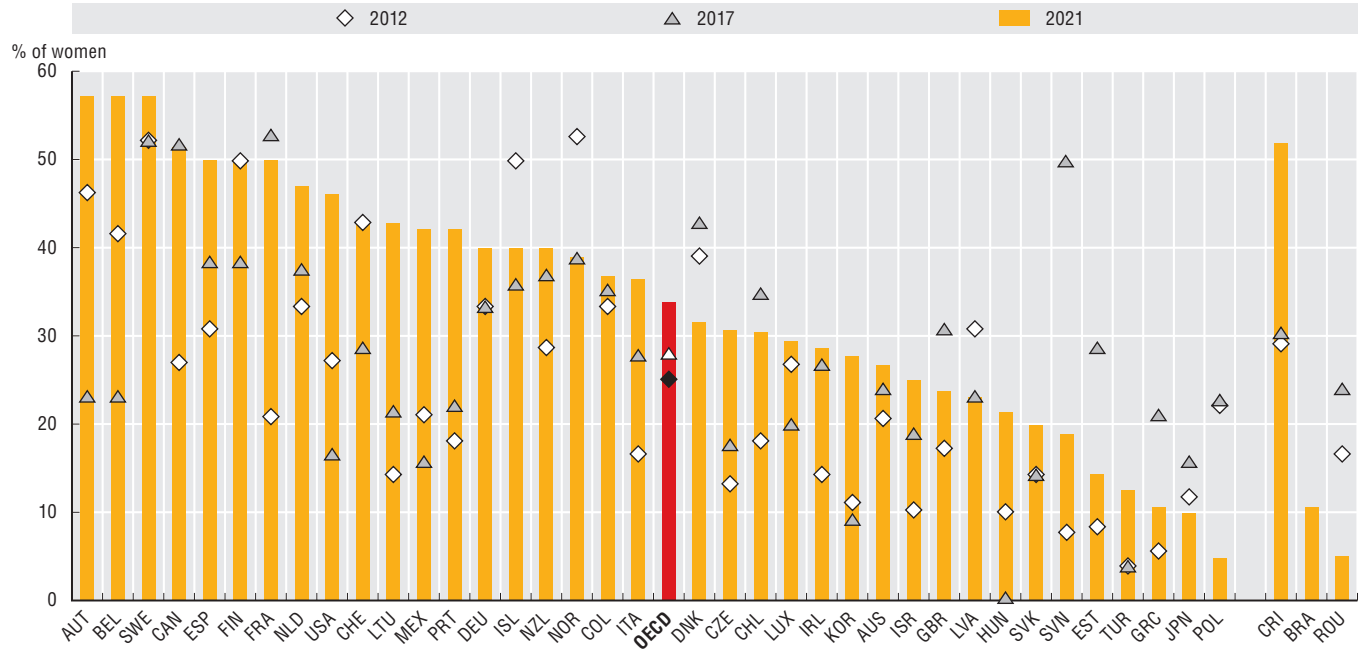
Lower or single house of the legislature



Source: Inter-Parliamentary (IPU) *PARLINE* (database).

StatLink https://doi.org/10.1787/888934257508

3.11. Gender equality in ministerial positions, 2012, 2017 and 2021



Source: Inter-Parliamentary Union (IPU) *Women in Politics*, 2021, 2017 and 2012. Data for Turkey for 2021 were provided by national authorities.

StatLink https://doi.org/10.1787/888934257527

Youth representation in politics

The COVID-19 crisis has exacerbated pre-existing challenges for young people, while recovery measures are bringing questions of intergenerational justice to the forefront of the policy debate (OECD, 2020b). Youth representation in public institutions is critical to ensuring that public decisions take into account different perspectives, policy solutions benefit from a range of experiences and skills, and that policy outcomes are sustainable and responsive to all citizens' interests, needs and specificities (OECD, 2020a). The active involvement of youth can also inspire others of the same age and help restore their trust in public institutions (OECD, 2020a).

Civic and citizenship education can be instrumental in familiarising youth with democratic processes and providing them with the necessary skills for active citizenship. Governments can engage young people through public consultations, participatory budgeting programmes, innovative deliberative processes, affiliating advisory youth councils to government or specific ministries (as happens in 53% of OECD countries), or through youth councils at national (in 78% of OECD countries) and sub-national levels (in 88% of OECD countries) (OECD, 2020a). However, youth participation and representation in public and political life remain limited.

Among the barriers to becoming elected officials faced by young people, a lack of time and funding to run a campaign is the issue most frequently raised, by 71% of the 65 youth organisations in OECD countries surveyed in the OECD Youth Governance Survey. Limited opportunities in political parties (51%), traditional stereotypes portraying them as inexperienced (47%) and minimum age requirements (22%) are also perceived as barriers (OECD, 2020a).

While democracy does not necessarily require institutions to mirror demographics, youth's underrepresentation in parliament indicates the existence of norms, rules and regulations that hamper their participation to democratic processes. In 2020, on average across the OECD, 22% of members of parliaments (MPs) were under 40, ranging from 36% in Norway to 8% in France. In comparison, 20-39 year-olds represent 34% of the voting-age population on average across OECD countries, an average representation gap of more than 12 percentage points (p.p.). Wide differences exist among OECD countries: in Italy, Finland and Norway the share of young MPs is larger than the share of young people in the voting-age population (by 6 p.p. in Italy, 4 p.p. in Finland and 1 p.p. in Norway) but in all other OECD countries, the share of young MPs is lower. The largest representation gaps are found in Luxembourg (-26 p.p.), the United States (-25 p.p.) and Australia (-24 p.p.) (Figure 3.12). Some OECD countries have adopted youth quotas for national parliaments voluntarily by some party lists (such as in Lithuania, Mexico and Sweden).

Representation gaps are even more pronounced within countries' political leadership. In 2018, the average age of cabinet members ranged from 45 years in Iceland to 62 years in Japan, with an OECD average of 53 years. The five youngest cabinets across OECD countries were in Iceland (45 years), Norway (46.2), Estonia (47.1), Denmark (47.4) and Finland (47.4) (Figure 3.13). In 2018, across the OECD, only 51 of the then-incumbent cabinet members were under 40 (8%) and only 20 were aged 35 or below (3%) (Figure 3.13).

Methodology and definitions

Youth quotas refer to reserving seats (reserved quotas) or a number of positions as political candidates to young people, whether imposed by law on all parties (legislated quotas) or adopted by one or more parties (party quotas). There are wide variations in quota design across countries in terms of the type of quota, the age group specified, the percentage applicable and whether gender requirements are included.

Data on the share of young parliamentarians refer to the share of parliamentary representatives aged 40 and under obtained from the Inter-Parliamentary Union's Parline database. Data on young people as a share of the voting-age population refer to the percentage of people aged 20-39 as a share of people aged 20 and over, and were obtained from the OECD Demography and Population database.

Data on the average age of cabinet members were collected through desktop research of OECD countries' cabinet membership from official government websites, and the biographies of each member. The data reflect the situation as of February 2018.

Further reading

OECD (2020a), *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*.

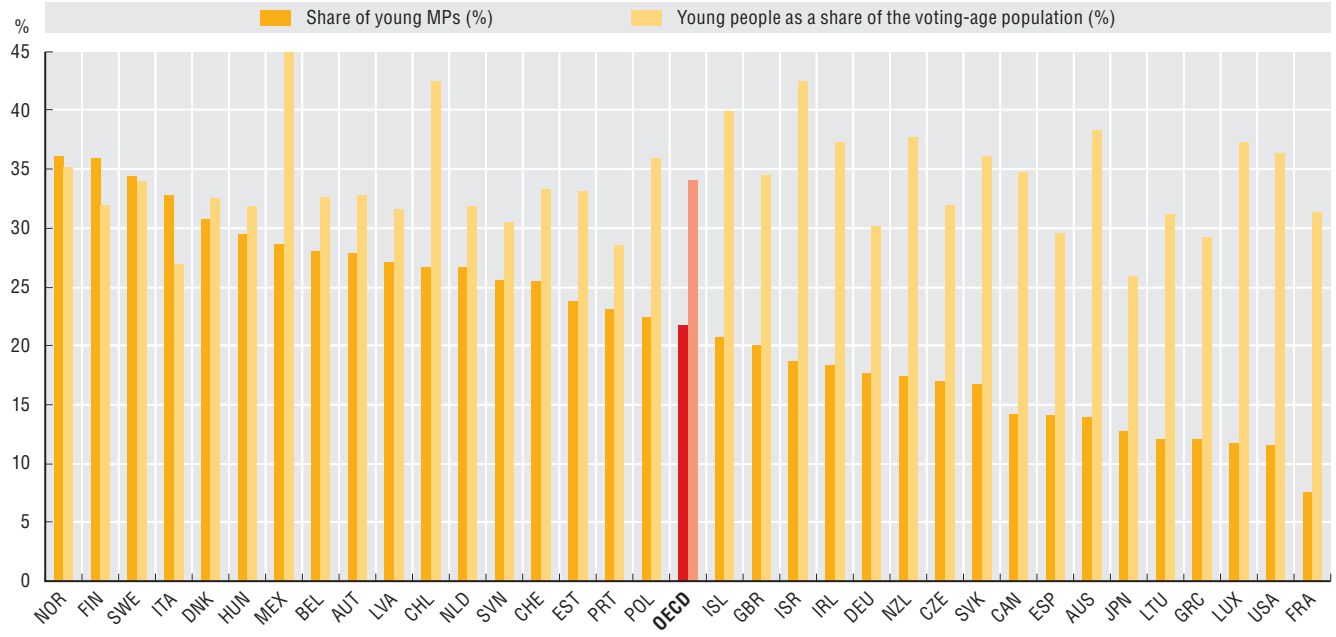
OECD (2020b), "Youth and COVID-19: Response, recovery and resilience", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD Publishing, Paris, *https://doi.org/10.1787/c40e61c6-en*.

Figure notes

3.12. Data on the share of young people as a share of the voting-age population refer to 2018.

3.13. Data for one cabinet member in Canada and three in Mexico could not be found. Representatives were selected based on the cabinet members listed on the official government websites.

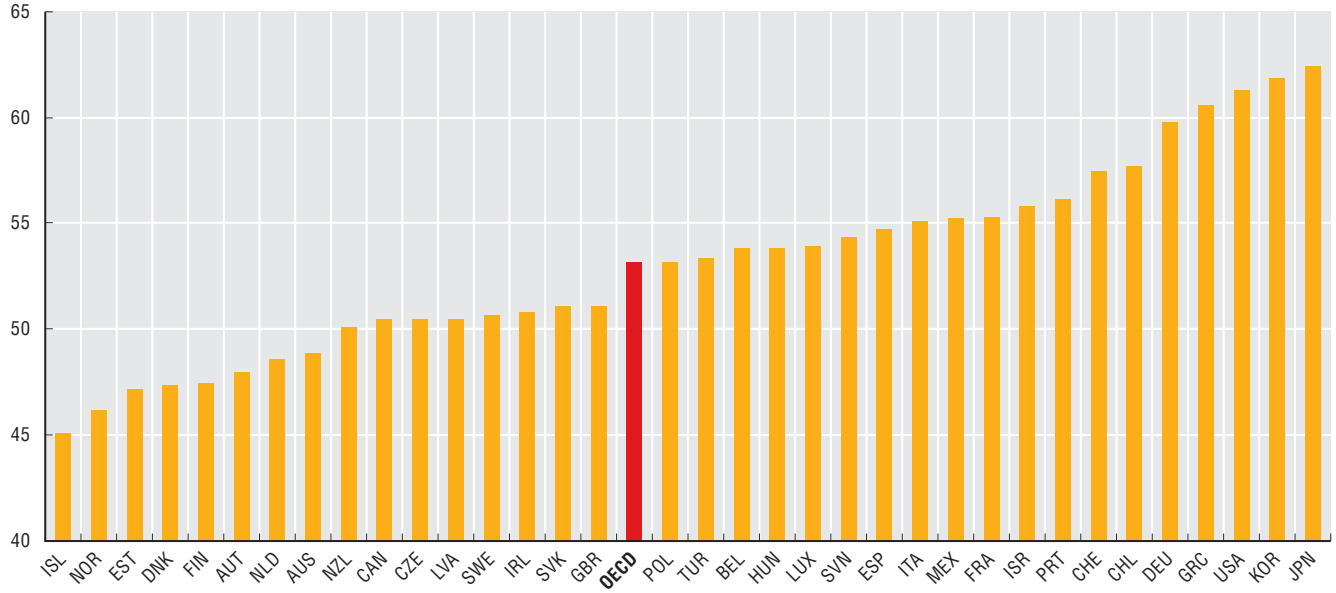
3.12. Share of members of parliament aged 40 and under and people aged 20-39 as a share of voting-age population, 2020



Source: OECD calculations based on *OECD Demography and Population* (database); Inter-Parliamentary Union (IPU), *Parline* (database) on national parliaments.

StatLink https://doi.org/10.1787/888934257546

3.13. Average age of cabinet members, 2018



Source: OECD (2020), *Governance for Youth, Trust and Intergenerational Justice: Fit for All Generations*.

StatLink https://doi.org/10.1787/888934257565

Gender equality in the judiciary

Ensuring gender balance in judicial leadership has been increasingly highlighted by OECD countries as a key governance issue related to fairness, transparency and the effectiveness of rule of law (OECD, 2019). A diverse judicial workforce can bring different voices and perspectives to the bench. Such diversity and gender balance can also strengthen the integrity of the judiciary, promoting citizen's trust in justice services. Greater participation of women in judicial professions, particularly at senior levels, can also help reduce gender stereotypes and increase women's willingness to enforce their rights.

As of 2018, women made up 61% of the judiciary in the OECD-EU countries, ranging from 81% in Latvia to 33% in the United Kingdom. Overall, in most OECD countries, gender representation across the judiciary has remained fairly constant or has marginally increased compared to 2016. On average during this period the share of women judges increased by 2 p.p. The greatest increase in the share of women judges was recorded in Turkey (5 p.p.) but there were marginal declines of 1 p.p. in Iceland and Israel. When comparing gender balance among judges, it is important to consider the unique features of national legal systems and professional development patterns. For example, differences exist between the civil law system and the common law system: in the former, women can be recruited directly from law schools before they face possible career disruptions, while in the latter, women face a statutory requirement for at least five or seven years post-qualification experience for legally qualified posts in the judiciary (Figure 3.14).

However, uneven gender representation continues to be observed in high-level courts, with significant gaps observed at the supreme court level. In fact, on average the share of female judges in supreme courts across OECD-EU countries, recorded a value of 36% in 2018 (Figure 3.15). In comparison, the average share of female judges was 63% in first instance courts and 54% in second instance courts across OECD-EU countries in 2018. This pattern can be explained by several persistent barriers to access to judicial positions for women, such as gender stereotypes and biases and challenges in reconciliating work and life due to a culture of long working hours. Lack of empowerment, mentoring, networking and professional development opportunities can also hamper women's presence in the pool of senior judicial positions.

Methodology and definitions

Data on the gender equality of professional judges refers to the overall share of women occupying judgeship positions in 2016 and 2018 in courts of all instances. The data were retrieved from 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 2018: first instance, second instance and supreme courts. The data were retrieved from the CEPEJ-STAT.

Courts of first instance are where legal proceedings 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 decisions 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 (2019), *Fast Forward to Gender Equality: Mainstreaming, Implementation and Leadership*, OECD Publishing, Paris, *https://doi.org/10.1787/g2g9faa5-en*.

OECD (2018), Toolkit for Mainstreaming and Implementing Gender Equality, OECD website, *www.oecd.org/gender/governance/toolkit/*.

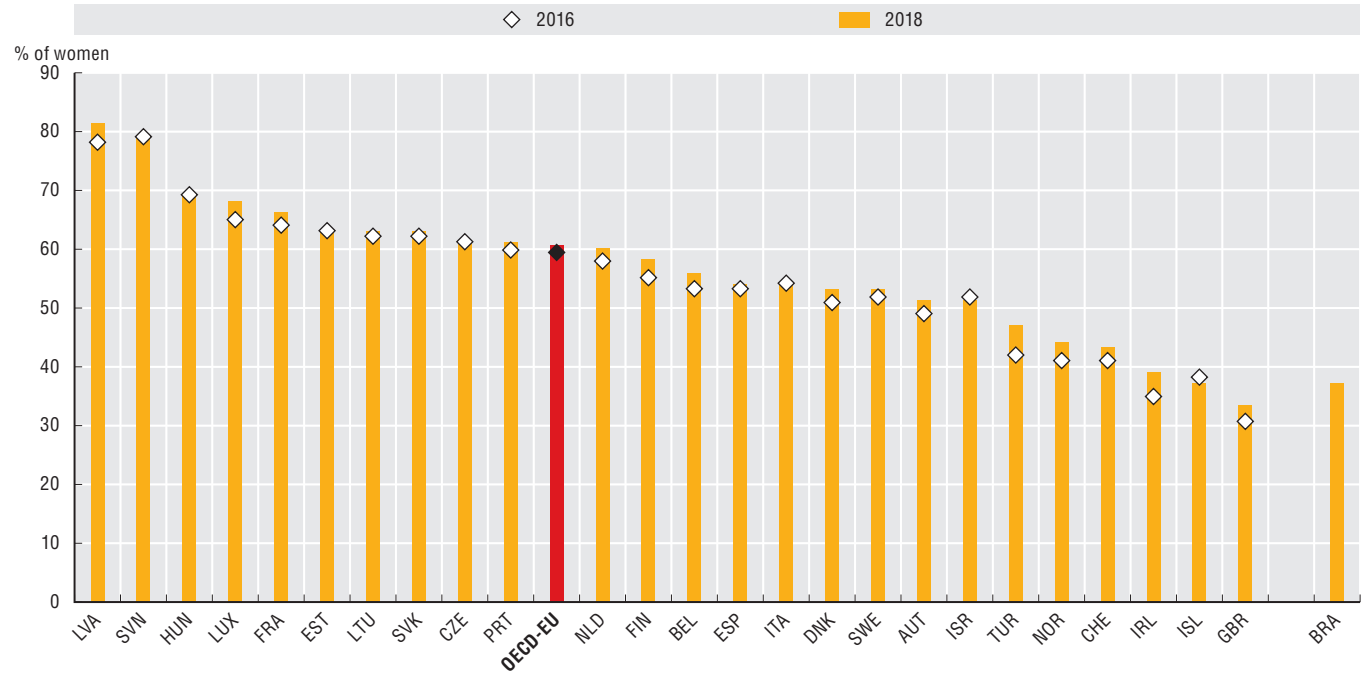
OECD (2016), *2015 OECD Recommendation of the Council on Gender Equality in Public Life*, OECD Publishing, Paris, *https://doi.org/10.1787/9789264252820-en*.

Figure notes

Germany, Greece and Poland have not been included in the average because of missing time series.

Data for the United Kingdom calculated as a simple average of the share of female judges in England and Wales, Northern Ireland, and Scotland.

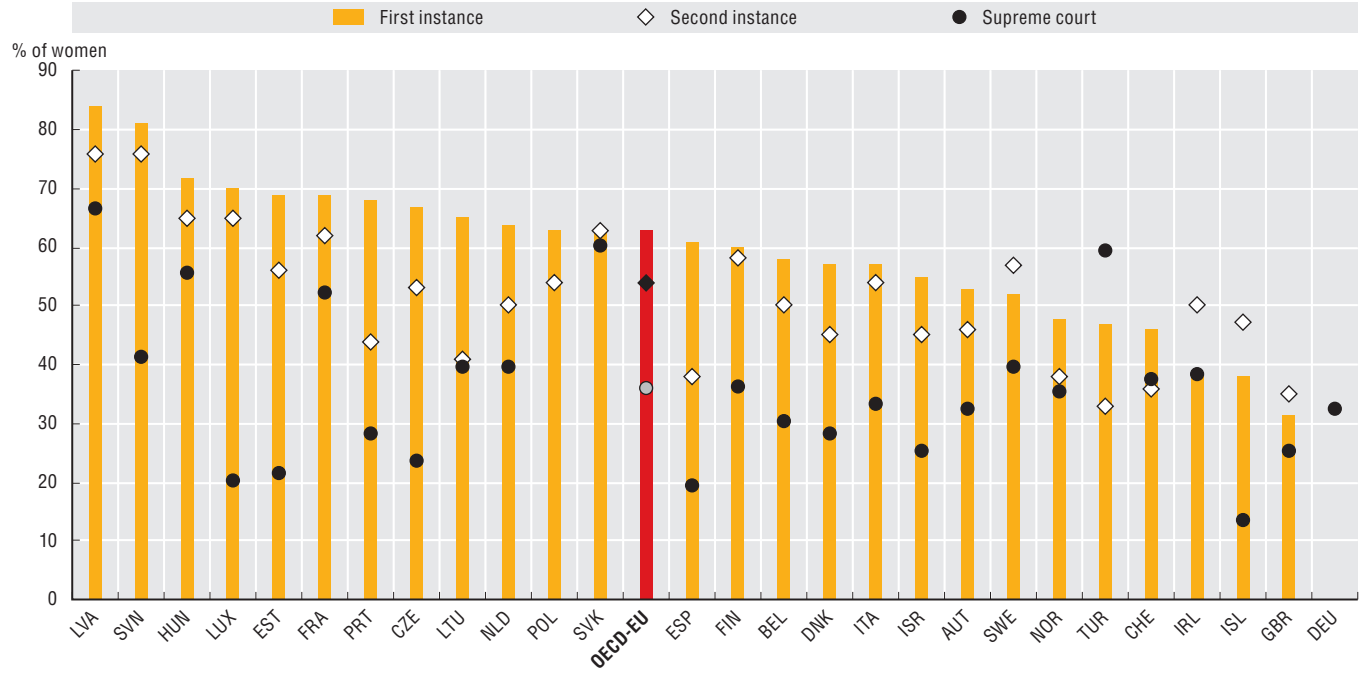
3.14. Gender equality of professional judges, 2016 and 2018



Source: Council of Europe European Commission for the Efficiency of Justice (CEPEJ) *CEPEJ-STAT* (database),

StatLink https://doi.org/10.1787/888934257584

3.15. Gender equality of professional judges by level of court, 2018



Source: Council of Europe European Commission for the Efficiency of Justice (CEPEJ) *CEPEJ-STAT* (database),

StatLink https://doi.org/10.1787/888934257603

4. INSTITUTIONS

Role of centres of government in the response to COVID-19

Role of centres of government in planning for the recovery from the COVID-19 pandemic

Crisis communications: Role of centres of government and ministries of health

Role of centres of government and ministries of health in countering misinformation and disinformation

Role of centres of government in the response to COVID-19

Centres of government (CoGs) are the administrative structures supporting the executive (such as the president, prime minister and the council of ministers or cabinet collectively).

Among the 26 OECD countries for which data were available, the most notable changes in the functioning of CoGs in response to COVID-19 were having to provide support to more co-ordination instances (20 out of 26, 77%), and more stakeholders participating in co-ordination meetings called by the CoG (19 out of 26, 73%). Among the countries where more stakeholders have participated in co-ordination meetings, almost all expected to retain this change during the planning of the economic recovery from COVID-19, while less than half of countries with more co-ordination instances expected to retain this change. Other changes include instituting new protocols on communication and to combat disinformation (17 out of 26 CoGs, 65%), and new or increased responsibilities (12 of 26 CoGs, 46%) such as for risk management and policy analysis. Most expect to retain these changes. Despite increased responsibilities and more complex workloads, however, only 7 of 26 responding OECD countries (27%) reported an increase in resources available to the CoG since the onset of the COVID-19 crisis, and 6 out of 26 (23%) reported changes in staff levels (Figure 4.1).

All responding countries had at least one mechanism in place to align strategic plans and fiscal frameworks, with 22 out of 26 (85%) using discussions in the cabinet or council of ministers for this purpose. This co-ordination mechanism is typically supplemented by at least one additional lower-level mechanism. These include *ex ante* review and approval from the ministry of finance (13 out of 26, 50%), discussion and technical co-ordination within the centre of government (13 of 26, 50%), specific dialogues between the head of the CoG and the minister of finance (10 of 26, 38%) and special sub-cabinet committees (9 of 26, 35%). There is no clear pattern across countries as to how different co-ordination mechanisms are combined, with each country using a bespoke set of mechanisms (Figure 4.2).

Governments have widely used information campaigns and consultation mechanisms to involve stakeholders in strategies for COVID-19 and the recovery, but the use of engagement mechanisms to actively involve them has been less common. Most of the 26 responding countries used consultation mechanisms to involve stakeholders both in the design of strategies for the response to the COVID-19 crisis (20 out of 26, 77%) and the design of strategies for the recovery period (18 of 26, 69%). Governments have also made widespread use of information campaigns to inform stakeholders about the design of the strategies for the response to the COVID-19 crisis (19 of 26, 73%) and strategies for the recovery period (16 of 26, 62%). However engagement mechanisms to actively involve stakeholders in the design of the strategies for the response to the COVID-19 crisis or for the recovery period have only been used by 9 out of 26 governments in each instance (35%) (Online Table G.26).

Methodology and definitions

Data are from the OECD survey Building a Resilient Response: The Role of Centre of Government in the Management of the COVID-19 Crisis and Future Recovery Efforts, conducted during January-March 2021. Twenty-six OECD countries and two other economies (Brazil and Romania) responded. Respondents were senior officials who provide direct support and advice to heads of government and to the council of ministers or cabinet.

The centre of government (CoG), also known as the Cabinet Office, Office of the President, Privy Council, General Secretariat of the Government, among others, is the structure that supports the prime minister/president and the council of ministers (i.e. the regular meeting of government ministers). The CoG includes the body that serves the head of government and the council, as well as the office that specifically serves the head of government (e.g. Prime Minister's Office). Typical units of the centre of government include the Ministry or General Secretariat of the Presidency, the Office of the Prime Minister and the Cabinet Office, although these functions can in some cases be performed by units based in other parts of the government (e.g. finance, planning or budget offices).

Further reading

OECD (2018), *Centre Stage 2: The Organisation and Functions of the Centre of Government in OECD Countries*, OECD Publishing, *www.oecd.org/gov/centre-stage-2.pdf*.

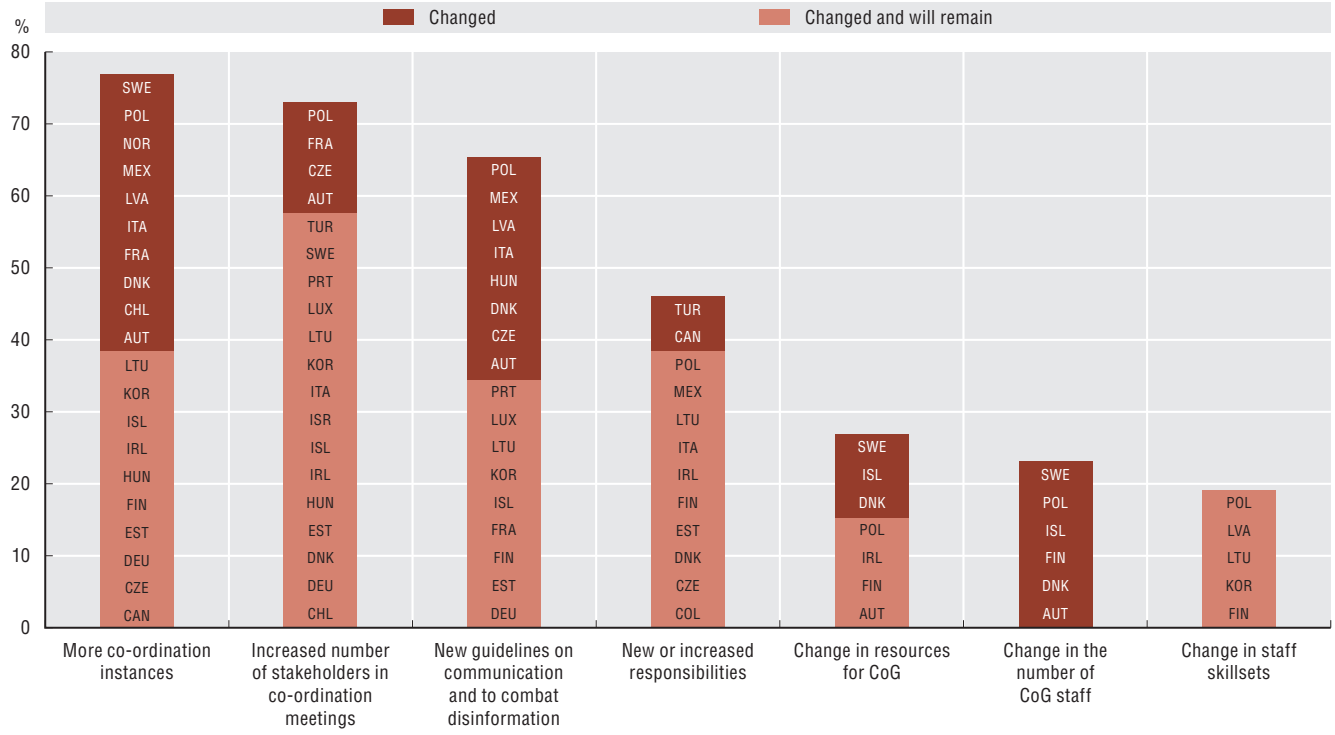
OECD (2014), *Centre Stage: Driving Better Policies from the Centre of Government*, OECD Publishing, *www.oecd.org/gov/Centre-Stage-Report.pdf*.

Figure notes

Data for Australia, Greece, Japan, the Netherlands, New Zealand, the Slovak Republic, Slovenia, Spain, Switzerland, the United Kingdom and the United States are not available.

Table G.26. (Stakeholder participation processes used during the COVID-19 crisis, 2021) is available online in Annex G.

4.1. Changes experienced by centres of government since the COVID-19 outbreak and that will remain when planning the recovery of the crisis, 2021



Source: OECD (2021), *Survey on Building a Resilient Response: The Role of Centre of Government in the Management of the COVID-19 Crisis and Future Recovery Efforts*.

StatLink https://doi.org/10.1787/888934257622

4.2. Aligning strategic plans and fiscal frameworks in response to COVID-19, 2021

Source: OECD (2021), *Survey on Building a Resilient Response: The Role of Centre of Government in the Management of the COVID-19 Crisis and Future Recovery Efforts*.

StatLink https://doi.org/10.1787/888934257641

Role of centres of government in planning for the recovery from the COVID-19 pandemic

Centres of government (CoGs) have an important role in managing the COVID-19 crisis, and they will continue to be crucial through the recovery period. Among OECD countries with data available, the prime minister's or president's office has been responsible for primary co-ordination of the strategic planning for COVID-19 recovery efforts in 15 of 26 (58%) countries. The ministry of finance has this responsibility in 3 of the 26 (12%), while another agency is responsible in 8 out of 26 countries (30%). These include the State Secretary for Economic Recovery and Strategic Investments in Belgium, the Ministry of Industry and Trade in the Czech Republic, the cabinet committee for sustainable recovery and growth in Finland, multiple bodies in Latvia, the council of ministers in Luxembourg, and the government offices in Sweden (Figure 4.3).

CoGs are responsible for some aspects of cross-government strategic planning to support recovery efforts in 19 out of 26 responding OECD countries (73%). In general, their responsibilities tend to be in strategic planning and oversight of implementation. CoGs are most frequently responsible for identifying priority areas for the recovery efforts, and selecting / shortlisting the priority policies / programmes to be implemented (16 out of 26, or 62%, in each case) and for co-ordinating the implementation of the recovery plans (14 of 26, 54%). It is less common for them to have a role in the more detailed aspects of implementing COVID-19 recovery plans: they are responsible for communicating the implementation of the recovery plans in only 13 out of the 26 responding countries (50%), establishing the main directives/guidelines for the design of the plans in 12 out of 26 (46%), evaluating the plans in 7 (27%), and providing *ex ante* reviews of the overall recovery plan in just 6 (23%) (Table 4.4).

Centres of government will require a wide range of evidence to help inform the design and delivery of their recovery policy priorities during 2021. While the specific types required vary substantially across countries, there is a strong demand for evidence, with all responding countries noting at least two different sources of evidence they will need to inform their priorities. Three evidence products are key. First, and most important, there is a clear desire to learn from the experience of peers during the recovery. Multi-country compendiums of best practices are the source of evidence in greatest demand, noted as a requirement by 20 out of 26 responding countries (77%). Analysis of the trade-offs between policy priorities, and global projections or forecasts are joint second (17 out of 26 in each case, 65%). Beyond these three core products, some CoGs will also seek to use in-depth country assessments and sets of recommendations (12 out of 26, 46%), checklists to support decision-making processes in the priority areas (11 of 26, 42%), analyses of policy coherence in support of sustainable development practices (9 of 26, 35%), and analyses of externalities (8 of 26, 31%) (Online Figure G.27).

Methodology and definitions

Data are from the OECD survey Building a Resilient Response: The Role of Centre of Government in the Management of the COVID-19 Crisis and Future Recovery Efforts, conducted during January-March 2021. Twenty-six OECD countries and two other economies (Brazil and Romania) responded. Respondents were senior officials who provide direct support and advice to heads of government and the council of ministers or cabinet.

The centre of government (CoG), also known as the Cabinet Office, Office of the President, Privy Council, General Secretariat of the Government, among others, is the structure that supports the prime minister and the council of ministers (i.e. the regular meeting of government ministers). The CoG includes the body that serves the head of government and the council, as well as the office that specifically serves the head of government (e.g. Prime Minister's Office). Typical units of the centre of government include the Ministry or General Secretariat of the Presidency, the Office of the Prime Minister and the Cabinet Office, although these functions can in some cases be performed by units based in other parts of the government (e.g. finance, planning or budget offices).

Further reading

OECD (2018), *Centre Stage 2: The Organisation and Functions of the Centre of Government in OECD Countries*, OECD, *www.oecd.org/gov/centre-stage-2.pdf*.

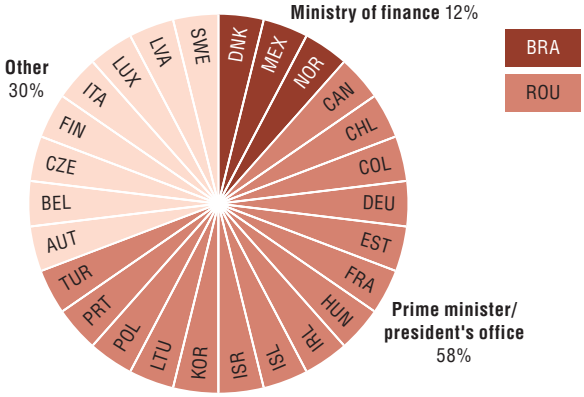
OECD (2014), *Centre Stage: Driving Better Policies from the Centre of Government*, OECD, *www.oecd.org/gov/Centre-Stage-Report.pdf*.

Figure notes

Data for Australia, Greece, Japan, the Netherlands, New Zealand, the Slovak Republic, Slovenia, Spain, Switzerland, the United Kingdom and the United States are not available.

Figure G.27. (Types of evidence or analyses needed to inform policy priorities, 2021) is available online in Annex G.

4.3. Body/agency responsible for co-ordinating strategic planning for the COVID crisis recovery efforts, 2021



Source: OECD (2021), *Survey on Building a Resilient Response: The Role of Centre of Government in the Management of the COVID-19 Crisis and Future Recovery Efforts*.

StatLink https://doi.org/10.1787/888934257660

4.4. Centre of government's responsibilities in cross-government strategic planning to support recovery efforts, 2021

	Identifying the priority areas for the recovery efforts	Selecting / shortlisting the priority policies/ programmes to be implemented	Co-ordinating the implementation of the recovery plans	Communicating the implementation of the recovery plans	Monitoring the implementation of the recovery plans	Establishing the main directives/ guidelines for the design of the recovery plans	Designing the overall recovery plans	Evaluating the recovery plans	Providing *ex ante* reviews of the overall recovery plans	Centre of government is not responsible
Austria	●	●	○	●	○	●	●	○	○	○
Belgium	○	○	○	○	○	○	○	○	○	●
Canada	●	●	○	○	●	○	○	○	○	○
Chile	●	●	●	●	●	●	○	○	○	○
Colombia	●	●	●	○	●	○	●	●	○	○
Czech Republic	○	○	○	○	○	○	○	○	○	●
Denmark	●	●	●	●	●	●	●	○	●	○
Estonia	●	●	●	●	●	●	●	○	○	○
Finland	○	○	●	●	○	●	●	○	●	○
France	●	●	●	●	○	●	●	○	○	○
Germany	●	●	●	○	●	○	○	○	○	○
Hungary	●	●	●	●	●	●	○	●	●	○
Iceland	○	○	●	●	●	○	●	○	○	○
Ireland	●	●	○	●	○	●	●	●	○	○
Israel	○	○	○	○	○	○	○	○	○	●
Italy	●	●	●	○	○	●	○	○	○	○
Korea	●	○	●	●	●	●	●	●	●	○
Latvia	○	○	○	○	○	○	○	○	○	●
Lithuania	●	●	●	●	●	○	○	●	○	○
Luxembourg	○	○	○	○	○	○	○	○	○	●
Mexico	●	●	○	○	●	○	○	○	○	○
Norway	○	○	○	○	○	○	○	○	○	●
Poland	●	●	●	●	●	●	●	●	●	○
Portugal	○	○	○	○	○	○	○	○	○	●
Sweden	●	●	●	●	●	●	●	●	●	○
Turkey	○	●	○	○	○	○	○	○	○	○
OECD Total										
● Yes	16	16	14	13	13	12	11	7	6	7
○ No	10	10	12	13	13	14	15	19	20	19
Brazil	●	●	●	●	●	●	●	●	○	○
Romania	○	○	○	○	○	○	○	○	○	●

Source: OECD (2021), *Survey on Building a Resilient Response: The Role of Centre of Government in the Management of the COVID-19 Crisis and Future Recovery Efforts*.

StatLink https://doi.org/10.1787/888934257679

Crisis communications: Role of centres of government and ministries of health

Public communication is a critical government function that enables coherent messaging both within the administration and externally, and serves as a key tool for effective policy design and implementation. Public communication also allows governments to listen to and understand their citizens. It is key to supporting the open government principles of transparency, integrity, accountability and stakeholder participation, ultimately serving to enhance good governance and build citizen trust.

Effective communication during a crisis is essential to the timely and beneficial dissemination of critical information to the public. Governments undertake crisis communication in response to unexpected events that could negatively affect their reputation or endanger citizens. It takes diverse forms, including media briefings, press releases and conferences as well as information campaigns about the facts and measures taken, and explaining the government's crisis response to citizens. In the COVID-19 pandemic, for example, communication from centres of government (CoGs) and ministries of health (MHs) played a key role in fostering knowledge of and compliance with measures adopted to ensure people's health and safety.

In 2019, 18 out of 27 CoGs in OECD countries (67%) had defined crisis communication procedures, as did 13 out of 17 MHs (76%) (Figure 4.5). CoGs' specific manuals or procedures include crisis communication frameworks (e.g. the United Kingdom's emergency planning framework), dedicated factsheets (the Netherlands), or sections on communication in wider crisis response plans (France) and frameworks (Australia and Belgium), acts (Switzerland and Luxembourg) and policies (Canada). In countries with no specific written criteria, some rely on adapting existing procedures to the nature of the incident, as in the Czech Republic, Estonia and Mexico. In Australia, Austria, Belgium, Canada and Germany, it is a shared responsibility between national and sub-national governments and is often – though not always – guided by CoG protocols or procedures.

Public communicators consider crisis communication one of their three most challenging competences in 15 out 27 CoGs (56%) and 9 out of 18 MHs (50%) in OECD countries (Figure 4.6). Co-ordination and human resources are the key challenges to implementing crisis communications: 12 CoGs and 6 MHs cited co-ordination as a reason why communicating during a crisis is demanding, 11 CoGs and 4 MHs cited human resources, and 10 CoGs and 3 MHs a combination of both (Figure 4.7).

Methodology and definitions

Data were collected from centres of government in 27 OECD countries, plus Brazil, Costa Rica and Romania, and from ministries of health in 18 OECD countries, plus Romania, through the OECD 2020 survey on Understanding Public Communication in Centres of Government, which covered the year 2019. The responses of four CoGs (Belgium, Estonia, Korea and Poland) and two MHs (Greece and Ireland) also included COVID-19 related measures adopted in 2020. Respondents were senior officials in charge of communication at the centre of government, i.e. the bodies that provide direct support and advice to heads of government and councils of ministers, and in ministries of health.

Public communication is understood as any communication activity led by public institutions for the public good. It is distinct from political communication, which refers to political parties, debates or elections.

A crisis is a threat to operations or reputations that can have negative consequences if not handled properly. Crises can create three related threats: to public safety, financial loss and reputation loss. Crisis communications are undertaken by governments with the public and stakeholders when an unexpected event occurs.

Further reading

OECD (2020), "Transparency, communication and trust: The role of public communication in responding to the wave of disinformation about the new Coronavirus", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD Publishing, Paris, *https://doi.org/10.1787/bef7ad6e-en*.

OECD (2020), "Building resilience to the Covid-19 pandemic: The role of centres of government", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD Publishing, Paris, *https://doi.org/10.1787/883d2961-en*.

OECD (2016), *Trends in Risk Communication Policies and Practices*, OECD Reviews of Risk Management Policies, OECD Publishing, Paris, *https://doi.org/10.1787/9789264260467-en*.

Figure notes

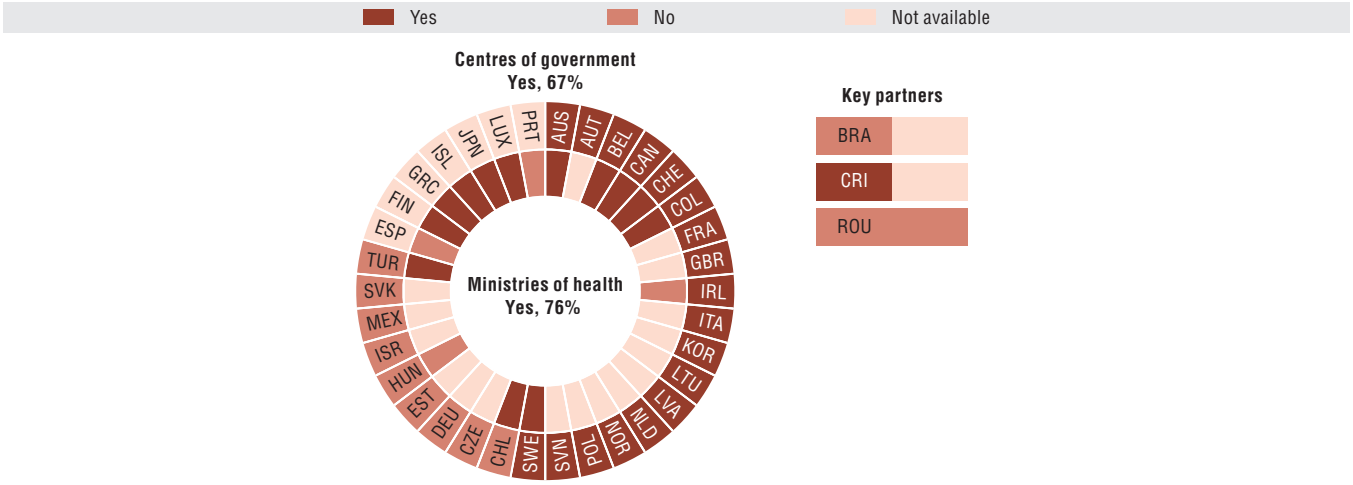
Finland, Greece, Iceland, Japan, Luxembourg, Portugal and Spain provided data for MHs but not CoGs. Austria, the Czech Republic, Estonia, France, Germany, Israel, Italy, Korea, Latvia, Mexico, the Netherlands, Norway, Poland, Slovakia, Slovenia and the United Kingdom provided data for CoGs but not MHs.

4.5. Data for Lithuania's Ministry of Health are not available. The outer ring shows the data for CoGs, and the inner ring the data for MHs.

4.6. The three alternatives presented are the top recurring challenges selected by respondents from 27 CoGs and 18 MHs out of all the options provided.

4.7. Data refer to the 15 CoGs and 8 MHs that indicated crisis communication is a challenge in 4.6. and chose human resources and/or co-ordination as the reason. Greece's MH did not answer.

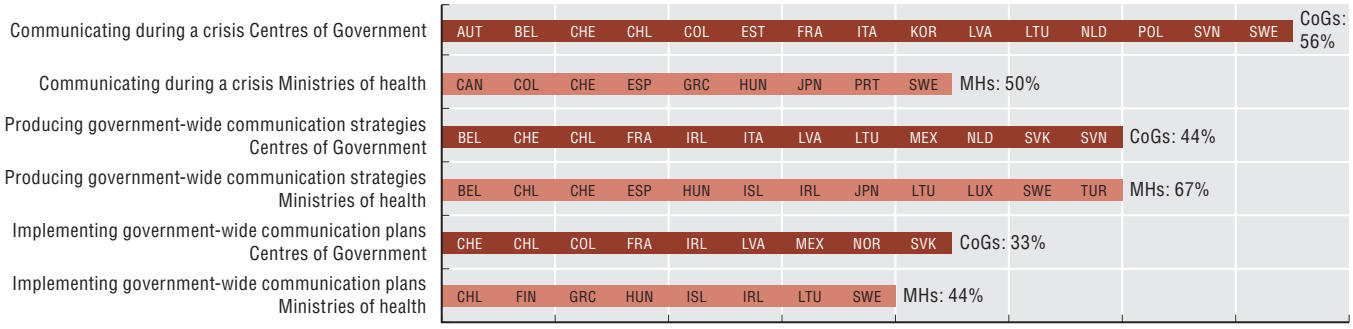
4.5. Availability of standard protocols or procedures to respond to crises in OECD countries, 2019



Source: OECD (2020), *Survey on Understanding Public Communication in Centres of Government*.

StatLink https://doi.org/10.1787/888934257698

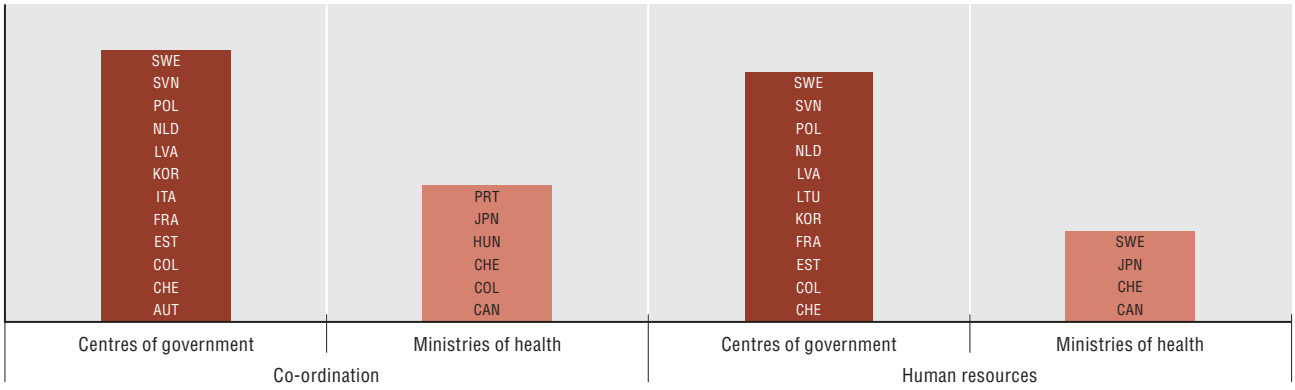
4.6. Three most challenging communication competences for centres of government and ministries of health, 2019



Source: OECD (2020), *Survey on Understanding Public Communication in Centres of Government*.

StatLink https://doi.org/10.1787/888934257717

4.7. Reasons why crisis communication is challenging for centres of government and ministries of health, 2019



Source: OECD (2020), *Survey on Understanding Public Communication in Centres of Government*.

StatLink https://doi.org/10.1787/888934257736

Role of centres of government and ministries of health in countering misinformation and disinformation

The flow of information between governments, citizens and stakeholders is a necessary part of open and inclusive societies. Yet, the public's ability to benefit from and share accurate information is undermined by a proliferation of false and misleading content, both online and offline. Governments must therefore be alert to the importance of public communication for promoting transparency and counteracting misinformation and disinformation.

Although the problem predates COVID-19, a wave of deceptive and untrue information from the start of the pandemic has undermined governments' policies and health measures by confusing and drowning out official messages, aggravating vaccine hesitancy, and challenging efforts to bring the pandemic under control. Rapid, transparent and proactive public communication is central to combatting misleading content. Governments use public communication to help enforce policy measures; in the context of COVID-19, efforts have often focused on compliance with health measures (e.g. handwashing, facemasks, lockdown provisions, social distancing). More broadly, public communication is also key to understanding, educating and engaging in dialogue with the public.

Despite widespread efforts to respond to misinformation, many countries may lack adequate institutional structures to deal with this issue. In 2019, only 11 out of 27 centres of government (CoGs) in OECD countries, plus Costa Rica, had adopted official documents to guide their responses to misinformation and disinformation (Figure 4.8). Two countries, Austria and Norway, were developing documents at the time of responding in 2020, partly due to the COVID-19 crisis. Relevant documents include government-wide or ministry-specific strategies, plans, toolkits or guidance. For example, Estonia produces annual inter-ministerial action plans to build resilience to information attacks, and the UK government developed the RESIST Toolkit to help communicators and relevant officials to identify and react to problematic content. Only 4 out of 18 ministries of health (MHs) had adopted similar documents or benefited from government-wide ones in 2019. This may have left them less prepared for the wave of health misinformation during the pandemic (Figure 4.8).

The complex challenges posed by mis- and disinformation require multi-disciplinary responses. To that end, 19 out of 24 CoGs (79%) in OECD countries, plus Costa Rica, have consulted with stakeholders such as media, civil society, academia, inter-governmental organisations and tech companies on countering disinformation. CoGs most frequently consult stakeholders in academic or research organisations. A smaller proportion of MHs (8 out of 17, or 47%) OECD countries, plus Romania, consulted with at least one of these stakeholders (Table 4.9).

Methodology and definitions

Data were collected from CoGs in 27 OECD countries, plus Brazil, Costa Rica and Romania, and from MHs in 18 OECD countries, plus Romania, through the OECD 2020 survey on Understanding Public Communication in Centres of Government, which covered the year 2019. Respondents were senior officials in charge of communication at the centre of government, i.e. the bodies that provide direct support and advice to heads of government and councils of ministers, and in ministries of health.

Public communication is understood as any communication activity led by public institutions for the public good. It is distinct from political communication, which refers to political parties, debates or elections.

Disinformation is the deliberate creation and/or sharing of false information with the intention to deceive and mislead the audience.

Misinformation refers to false information that is shared, but where no harm is meant; this could include unintended mistakes, typos, errors or satire taken seriously, but increasingly involves the sharing of unverified, misleading content linked to disinformation campaigns.

Further reading

Matasick, C., C. Alfonsi and A. Bellantoni (2020), "Governance responses to disinformation: How open government principles can inform policy options", *OECD Working Papers on Public Governance*, No. 39, OECD Publishing, Paris, *https://doi.org/10.1787/d6237c85-en*.

OECD (2020), "Transparency, communication and trust: The role of public communication in responding to the wave of disinformation about the new Coronavirus", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD Publishing, Paris, *https://doi.org/10.1787/bef7ad6e-en*.

Wardle, C. and H. Derakshan (2017), Information Disorder: Towards an Interdisciplinary Framework for Research and Policy Making, Council of Europe, DGI(2017)09.

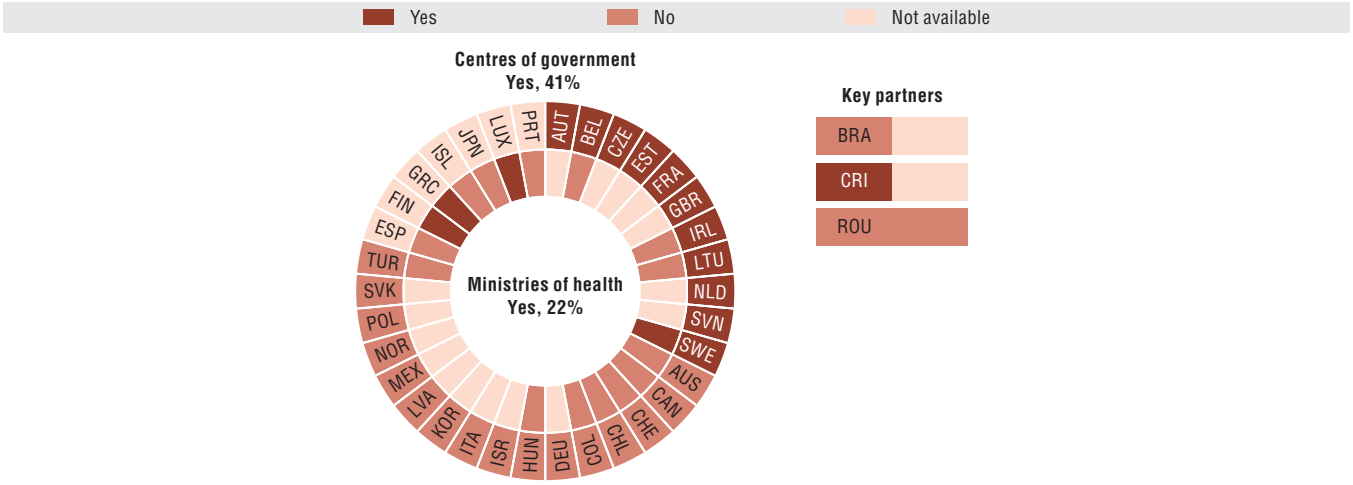
Figure notes

Finland, Greece, Iceland, Japan, Luxembourg, Portugal and Spain provided data for MHs but not CoGs. Austria, the Czech Republic, Estonia, France, Germany, Israel, Italy, Korea, Latvia, Mexico, the Netherlands, Norway, Poland, Slovakia, Slovenia and the United Kingdom provided data for CoGs but not MHs.

4.8. The outer ring shows the data for CoGs and the inner ring the data for MHs.

4.9. This question was not applicable to CoGs in Australia, Germany and the Netherlands or to the MH in Iceland. Other responses included international forums and social media companies.

4.8. Availability of guiding documents for governments' responses to disinformation, 2019



Source: OECD (2020), *Survey on Understanding Public Communication in Centres of Government*.

StatLink https://doi.org/10.1787/888934257755

4.9. Stakeholders consulted by centres of government and ministries of health on the issue of countering disinformation, 2019

Country	Academic or research organisations	International donors	Media organisations	Civil society organisations	Other	Does not engage with any of these actors
Australia					■	■
Austria	●		●	●		
Belgium	●		●		■	
Canada	●■		●■	●	●■	
Chile	●	●		●		■
Colombia			●			■
Czech Republic	●			●		
Estonia	●	●	●	●		
Finland						■
France	●		●	●		
Greece	■					
Hungary	●					■
Ireland	●		●	●	●■	
Israel	●		●	●		
Italy						●
Japan						■
Korea	●	●	●	●		
Latvia	●		●	●		
Lithuania	●		●	●	■	
Luxembourg						■
Mexico						●
Norway						●
Poland						●
Portugal	■		■	■		
Slovakia	●			●	●	
Slovenia	●					
Spain					■	
Sweden						●■
Switzerland					●	■
Turkey	●■	■	●■	●■		
United Kingdom	●		●	●		
OECD Total						
● Centres of Government	17	3	13	14	4	5
■ Ministries of Health	4	1	3	2	5	9
Brazil						●
Costa Rica	●		●		●	
Romania			■	■		●

Source: OECD (2020), *Survey on Understanding Public Communication in Centres of Government*.

StatLink https://doi.org/10.1787/888934257774

5. BUDGETING

Green budgeting

The emergence of "green budgeting" in recent years reflects the importance countries have placed on using the budget process to support the achievement of environmental and climate objectives. Climate change, biodiversity loss and environmental degradation are having a profound impact on our planet, society and global economy. In response, countries have set national goals and made global commitments to protect the environment and mitigate climate change. As budgets play a core role in prioritising and resourcing government action, they can have significant impact on progress towards these objectives. The OECD plays a leading role in green budgeting by helping countries to use budgetary tools to provide policy makers with a clearer understanding of the environmental and climate impact of budget choices.

Green budgeting uses four key mutually reinforcing building blocks: 1) a strong strategic framework; 2) tools for evidence generation and policy coherence; 3) reporting to facilitate accountability and transparency; and 4) an enabling budgetary governance framework (OECD, 2020a). Its implementation involves having national climate change and environmental strategies, budgeting tools such as green budget tagging, the use of green budget statements to inform relevant stakeholders, and a modern budget framework linking strategic planning and budgeting. In 2020, 14 out of 35 OECD countries (40%) reported practising green budgeting (Figure 5.1). This includes countries with longstanding practice such as Italy (since 2000), as well as newcomers such as France, where the first comprehensive green budget (*Rapport sur le budget vert*) was presented in 2020.

Half of those countries practising green budgeting underpin their strategic framework with high-level political commitment or a budget law (7 out of 14 countries in both cases, 50%), and slightly fewer through administrative practice (6 out of 14, 43%), all of which are effective approaches to green budgeting. OECD countries typically use a variety of green budgeting tools and approaches (Table 5.2). The four most commonly reported tools include *ex ante* or *ex post* environmental impact assessments (12 out of the 14 countries, 86%), environmental cost-benefit analysis (10 out of 14, 71%), carbon assessments (10 out of 14, 71%) and carbon pricing instruments (9 out of 14, 64%). Most countries practising green budgeting also have ways to communicate information to the wider public (12 out of 14, 86%).

Country efforts have been sustained through an enabling budgetary governance environment to ensure consistent analysis across all parts of the government in pursuit of green objectives. Within the OECD, 7 out of the 14 countries practising green budgeting have supported their efforts with detailed instructions in the annual budget circular (50%), 6 with training and skills development (43%), and 5 with co-ordination mechanisms across government agencies (35%) (Figure 5.3). The OECD Paris Collaborative initiative continues to drive innovative approaches as more countries consider adopting green budgeting.

Methodology and definitions

Data are drawn from the 2020 OECD and European Commission Joint Survey on Emerging Green Budgeting Practices, encompassing responses from 35 OECD countries and Romania. Respondents were predominantly budget officials within central budget authorities in OECD countries. Responses represent the country's own assessment of current practices and procedures. Data refer mainly to central/federal governments and exclude the sub-national level. For the purpose of standardisation and consistency, the survey considered existing practices or planned as of end-June 2020. The full dataset also includes other member states of the European Union, which are not shown here.

Green budgeting refers to the use of budgetary policy-making tools helping to achieve environmental and climate goals. This includes evaluating the environmental impact of budgetary and fiscal policies and assessing their coherence towards the delivery of national and international commitments. Green budgeting can also contribute to informed, evidence-based debate and discussion on sustainable growth.

Green budget tagging encompasses any budget tagging practice that comprehensively reviews and identifies budget measures relating to climate and/or other environmental objectives, such as biodiversity, air and water challenges (quantity and quality), among others.

Further reading

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

OECD (2020b), "Green budgeting and tax policy tools to support a green recovery", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD Publishing, Paris, *https://doi.org/10.1787/bd02ea23-en*.

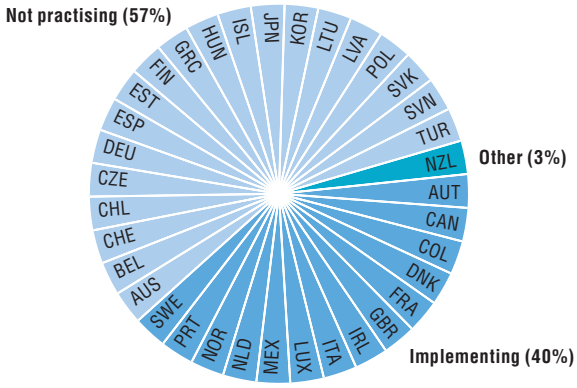
OECD (2021), *Green Budget Tagging: Introductory Guidance & Principles*, OECD Publishing, Paris, *https://doi.org/10.1787/fe7bfcc4-en*.

Figure notes

5.1, 5.2 and 5.3. Data for Israel and the United States are not available. Romania does not practise any form of green budgeting.

5.1. New Zealand is listed as "other", as the environment is categorised as natural capital in its "wellbeing budgeting" approach. Finland uses a lighter form of green budget tagging where only specific budgetary programmes contributing to green objectives were reviewed and identified. For standardisation and consistency, the survey only included instances where reviews were comprehensive across all areas of the budget. As Finland only reported green budget tagging as its main tool, it was not categorised as practising green budgeting.

5.1. Existence of green budgeting practices, 2020



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

StatLink https://doi.org/10.1787/888934257793

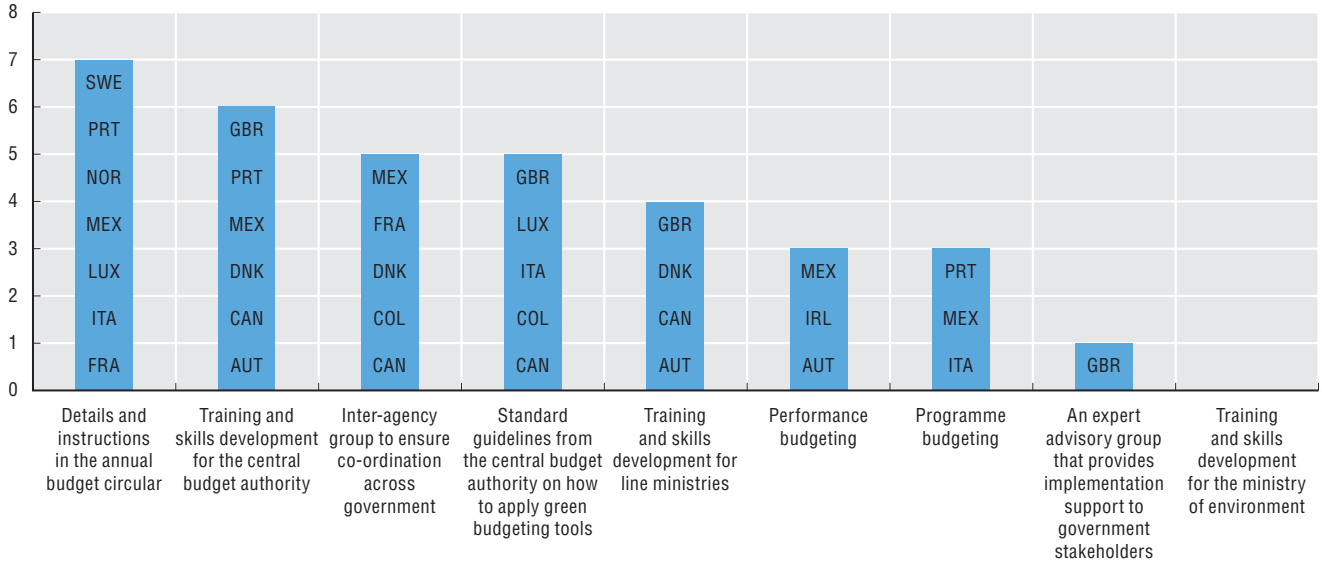
5.2. Commonly used tools by countries practising green budgeting, 2020

Country	*Ex ante* or *ex post* environmental impact assessments (individual measures)	Environmental cost-benefit analysis (individual or all measures)	Carbon assessments	Carbon pricing instruments (including fuel and carbon taxation, emissions trading systems)	Environmental tax reform	*Ex ante* or *ex post* green budget tagging
Austria	●		●			
Canada	●	●		●		
Colombia	●	●	●	●	●	●
Denmark	●	●	●		●	
France	●	●	●	●		●
Ireland	●	●	●	●	●	●
Italy	●	●	●			●
Luxembourg						●
Mexico						●
Netherlands	●	●	●	●	●	
Norway	●	●	●	●	●	●
Portugal	●			●	●	
Sweden	●	●	●	●	●	
United Kingdom	●	●	●	●	●	
OECD Total						
● Yes	12	10	10	9	8	7

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

StatLink https://doi.org/10.1787/888934257812

5.3. Elements supporting the implementation of green budgeting, 2020



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

StatLink https://doi.org/10.1787/888934257831

Green budgeting to support a green recovery

The COVID-19 pandemic has led governments to take unprecedented fiscal policy action as an immediate emergency response to support public services, households and businesses. Existing challenges from climate change and environmental degradation have mobilised governments to address national and international green objectives in the recovery period. These recovery packages can help increase resilience to future shocks and reduce risks, including those related to climate change, while also helping to finance the extraordinary expenditure associated with recovery from the pandemic through cost-effective approaches and investments.

Green budgeting can help facilitating the design and implementation of green recovery packages. A recent joint OECD-EC survey found 21 out of 34 OECD countries (62%) had taken actions to integrate green perspectives into recent COVID-19 rescue measures (Figure 5.4). The most commonly adopted measures are environmental impact assessment of budget measures (8 out of 21, 38%), green budget tagging (6 out of 21, 29%), attaching green conditionality to the use of recovery funds (5 out of 21, 24%), and publishing a green budget statement to show how the recovery package supports national green objectives (1 out of 21, 5%) (Table 5.5). Looking ahead, by June 2020 a majority of the OECD countries responding (24 out of 35, 69%) were planning actions to integrate green perspectives into their forthcoming recovery packages, ranging from plans to use environmental impact assessments to attaching green conditionality to support measures and providing support for sub-national governments to practise green budgeting.

Green public spending can support the recovery, but there may be trade-offs between environmental, economic and social goals. Even recovery packages with a large green component commonly also include a substantial share of traditional spending to address other social and economic priorities. Carbon pricing and related tax policy tools can ensure that stimulus policies that are not explicitly green are nevertheless aligned with green objectives. By increasing the cost of carbon-intensive assets, carbon pricing will steer investment and consumption towards low-carbon alternatives while still serving as a tool to restore public finances and augment tax revenues (OECD, 2020).

As countries look to a green recovery, well-communicated spending and tax policy choices that look at the long-run benefits for wellbeing, environmental protection and resilience to climate and future shocks can serve to raise greater public awareness and support for a green transition (OECD, 2020).

Methodology and definitions

Data are drawn from the 2020 OECD and European Commission Joint Survey on Emerging Green Budgeting Practices, encompassing responses from 35 OECD countries and Romania. Respondents were predominantly budget officials within central budget authorities. Responses represent the country's own assessment of current practices and procedures. Data refer mainly to central/federal governments and exclude the sub-national level. For the purpose of standardisation and consistency, the survey considered existing practices or planned as of end-June 2020. The full dataset also includes other member states of the European Union, which are not shown here.

Green budgeting refers to the use of budgetary policy-making tools helping to achieve environmental and climate goals. This includes evaluating the environmental impact of budgetary and fiscal policies and assessing their coherence towards the delivery of national and international commitments. Green budgeting can also contribute to informed, evidence-based debate and discussion on sustainable growth.

Further reading

OECD (2020), "Green budgeting and tax policy tools to support a green recovery", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD Publishing, Paris, *https://doi.org/10.1787/bd02ea23-en*.

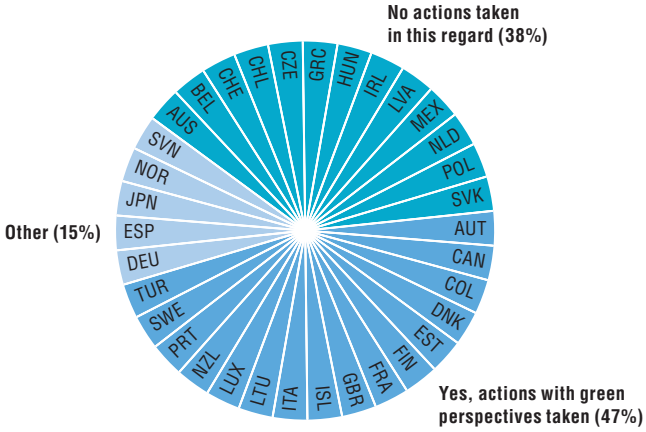
Figure notes

5.4 and 5.5. Data for Israel, Korea and the United States are not available. Romania has not taken actions to integrate green perspectives into COVID-19 measures.

5.4. Main reasons not to integrate green perspectives into early COVID-19 recovery measures were to focus on other areas such as containing the virus and supporting the health system, economy, and vulnerable businesses and individuals. Under "other", in Germany, the recovery includes measures to facilitate structural transformation of the automotive industry and future-proof value chains; in Japan, efforts included environmentally responsive measures such as solar power generation facilities and high-performance ventilation equipment in public places; in Norway, relevant government actions undergo consideration of environmental consequences; in Slovenia, the government has prepared the recovery plan to include green transition into its growth strategy; in Spain, the Ministry of Ecological Transition has promoted a series of measures directly related to COVID-19 (e.g. sanitary waste management).

5.5. Based on countries that integrate green perspectives into COVID-19 recovery measures or other type of strategy. Under "other", in Iceland, projects under the country's Covid Investment Initiative included investments in energy transition, green solutions and environmental issues; in Finland, emphasis was given to measures that addressed the government's carbon neutrality goal; in Portugal, the Economic and Social Stabilization Programme considered environmental measures such as forestry management as well as work on sustainable buildings, hydrographic network and sustainable mobility.

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



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

StatLink https://doi.org/10.1787/888934257850

5.5. Use of green budgeting tools in the recovery, as of end-June 2020

Country	Ex ante Environmental Impact Assessments	Green Budget Tagging	Green conditionality	Ex post audit on support for national cliamte and environmental objectives	Published statement on how package supports green objectives	Training or capacity building	Support for subnational governments	Other
Austria	●							
Canada	●		●					
Colombia	●	●					●	
Denmark	●							
Estonia		●						
Finland		●						●
France	●	●	●		●			
Germany								●
Iceland		●						●
Italy			●					
Japan								●
Lithuania				●				
Luxembourg		●						
New Zealand	●							
Norway								●
Portugal						●		●
Slovenia								●
Spain								●
Sweden			●					
Turkey	●							
United Kingdom	●		●					
OECD Total								
● Yes	8	6	5	1	1	1	1	8

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

StatLink https://doi.org/10.1787/888934257869

Spending reviews

In the aftermath of the global financial crisis, the use of spending reviews has increased considerably among OECD countries (OECD, 2019). The OECD has found that spending reviews have proved to be an important tool for governments, not only to control total expenditure by making space for more resources, but also to align spending allocations with government priorities and to improve the effectiveness of policies and programmes.

In 2020, 31 out of 37 OECD countries (84%) report conducting spending reviews, of which 20 (65%) do so annually and 11 (35%) periodically (Figure 5.6). According to the latest available information, a further four countries are considering using spending reviews in the future (Belgium, the Czech Republic, Switzerland and Turkey). Only Hungary and Slovenia have no plans to conduct them. The number of countries using spending reviews has almost doubled since 2011, when only 16 OECD countries were conducting them (OECD, 2019). Between 2018 and 2020 the pace of increase has been slower (three additional countries, including two new OECD countries).

Spending reviews can have different objectives depending on the ultimate goal that governments are trying to achieve. In 2020, 29 out of the 31 OECD countries using spending reviews (94%) indicated improving effectiveness was a key purpose, compared to 71% in 2018 (OECD, 2019). While previously 79% of countries used spending reviews for short-term cuts and/or to improve medium-term spending efficiency, 20 out of 31 (65%) countries now report controlling total expenditure as an objective (Figure 5.7). This change in objectives highlights the flexible and adaptable nature of spending reviews, and shows how the initial use of spending reviews to identify savings has evolved.

Political ownership and commitment is crucial to the effectiveness of spending reviews, both to ensure co-operation across government throughout the process, and to take decisions on the objectives and scope of reviews and the recommendations to adopt. In most countries, there is high-level political involvement in these key decisions. In 15 out of 31 (48%) OECD countries using spending reviews, the cabinet, president or prime minister approves the spending review topics and in 12 out of 31 (39%) makes the final decision on the spending review report. Otherwise, in 8 out of 31 countries (26%), it is the finance minister, alone or jointly with a line minister, who is largely responsible for both approving spending review topics and the final decision on the report (Online Table G.28). Approval of the terms of reference (ToRs) is a less political decision, taken by the steering group or the spending review unit in nine OECD countries.

Methodology and definitions

Data are derived from the 2020 OECD Spending Review Survey. Respondents were predominantly senior budget officials in OECD countries. Responses were received from all 37 OECD countries, Costa Rica and Romania. They represent the countries' own assessments of current practices and procedures. Data refer only to central/federal governments and exclude spending reviews at the sub-national levels.

Spending reviews are a collaborative process of developing and adopting policy options by analysing the government's existing expenditure within defined areas, and linking these options to the budget process. The purposes of a spending review are to 1) enable the government to manage the total level of expenditure; 2) align expenditure with government priorities; and 3) improve effectiveness within programmes and policies. The terms of reference (ToRs) will differ but typically include standard elements such as context, objectives, governance, scope, preparation of guidance and reference materials, access to information, deliverables, budgets, and timetable and milestones.

Further reading

OECD (forthcoming), *OECD Best Practices for Spending Reviews*.

OECD (2019), *Budgeting and Public Expenditures in OECD Countries 2019*, OECD Publishing, Paris. *https://doi.org/10.1787/9789264307957-en*.

EC (2020), "Spending reviews: Some insights from practitioners", *Discussion Paper* No. 135, European Commission, Brussels, *https://ec.europa.eu/info/publications/spending-reviews-some-insights-practitioners_en*.

Figure notes

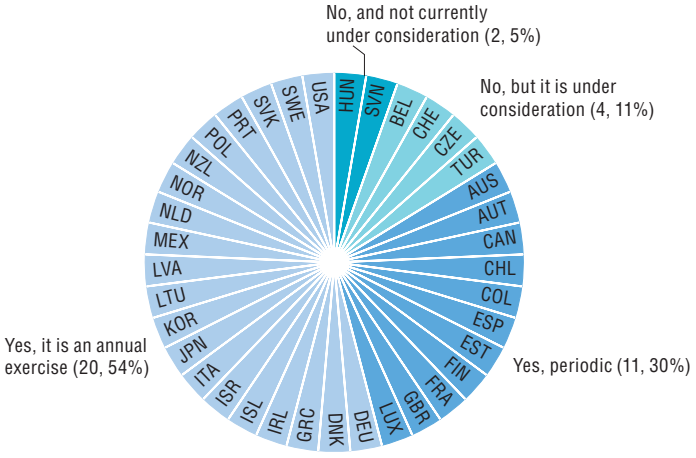
5.6 and 5.7 and G.28. Hungary and Slovenia do not conduct spending reviews and have no current plans to do so. Belgium, the Czech Republic, Costa Rica, Switzerland and Turkey do not conduct spending reviews but are considering it. Belgium started to implement pilot spending reviews in March 2021.

5.6. Romania conducts spending reviews, but not every year.

5.7. Romania's main objectives are to control the level of total expenditure, align expenditure with government priorities and improve effectiveness within programmes and policies.

Table G.28. (Main responsible actors for decision making, 2020) is available online in Annex G.

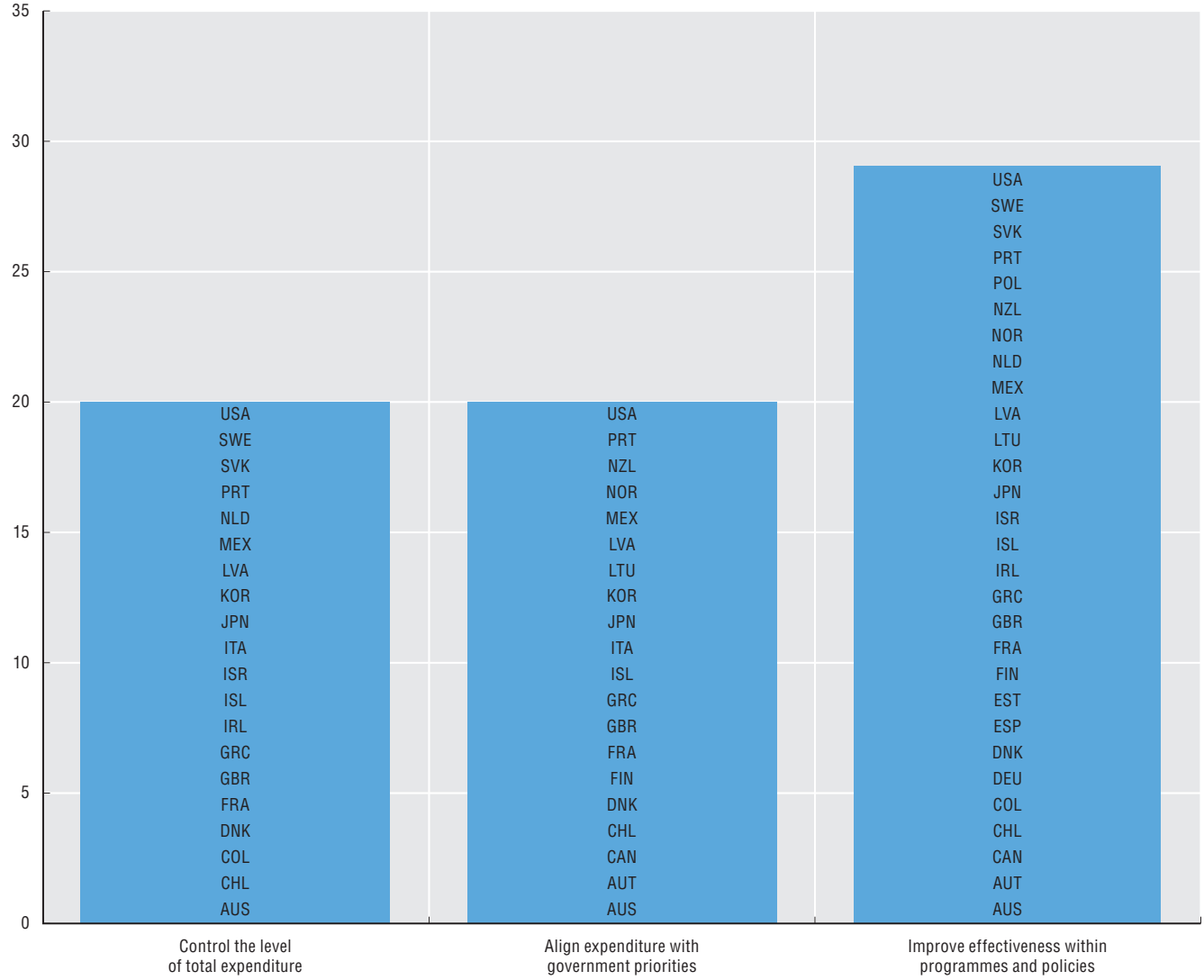
5.6. Number of countries conducting spending reviews, 2020



Source: OECD (2020), *Spending Review Survey*.

StatLink https://doi.org/10.1787/888934257888

5.7. Main objectives of spending reviews over the previous three years, 2020



Source: OECD (2020), *Spending Review Survey*.

StatLink https://doi.org/10.1787/888934257907

Independent fiscal institutions: Promoting transparency and accountability early in the COVID-19 crisis

For many OECD countries, the scale of emergency spending to support households and businesses early in the pandemic was the largest in peacetime history. At the same time, national legislatures, which would normally be responsible for scrutinising fiscal responses, faced operational constraints and health-related shutdowns, with some governments enacting emergency protocols to bypass them completely. Independent fiscal institutions (IFIs) stepped up to provide vital analysis for policy makers and those who hold them accountable, playing a crucial role in supporting sound fiscal policy in the face of these challenges. For many IFIs, most of which were established following the global financial crisis, this was their first real test.

IFIs in the OECD's Network of Parliamentary Budget Officials and Independent Fiscal Institutions took three main actions during the early months of the crisis (Table 5.8). First, 33 of the 35 national IFIs in the network (94%) published rapid analyses of the economic and budgetary impact of the pandemic. This included independent checks of government planning assumptions (22 out of 35, 63%), drafting self-initiated briefing notes (21 out of 35, 60%), preparing economic and fiscal scenario analyses (17 out of 35, 49%), updating forecasts of the economy and public finances in real time (14 out of 35, 40%), and fulfilling requests for analysis from committees and individual legislators (10 out of 35, 29%). In many cases, IFIs were the only source of analysis, with governments either focused on fast responses or reluctant to publish analyses given the uncertainty of a rapidly evolving situation. Second, 16 out of 35 (46%) IFIs in the OECD's network have a role in monitoring or authorising the activation of escape clauses to suspend fiscal rules. By mid-May, they had made public pronouncements on escape clauses to allow flexible responses to the pandemic. Third, IFIs also have a role in costing emergency legislation, either in an official capacity, upon request by legislators, or as self-initiated scrutiny of official figures. All IFIs in the network with such a role (14 out of 35, 40%) performed it during the first months of the crisis to help governments and legislatures come to terms with the magnitude of policy responses.

In addition to these activities, all the IFIs fulfilled their main responsibility of promoting transparency and accountability throughout the crisis. They supported legislatures by calling attention to executive overreach and urging them to find digital ways to hold committee meetings. They also drew attention to missing information in government plans and in some cases went as far as publishing their own interactive summaries of government announcements where governments had failed to do so (OECD, 2020a).

As governments start introducing policies to repair their battered economies and return their budgets to their medium-term strategic objectives, IFIs will continue to play a critical role in supporting the policy debate, identifying risks to the public finances and assisting governments and legislatures in their efforts to keep public finances on a sustainable path.

Methodology and definitions

The data were collected by desk research from March to 20 May 2020 and verified through the OECD's Network of Parliamentary Budget Officials and Independent Fiscal Institutions. The dataset includes 35 national-level institutions representing all 29 OECD countries in the network, along with Brazil (as a key partner of the OECD with an IFI) and the European Fiscal Board (the IFI of the European Commission). Several countries divide responsibilities between two institutions (Austria, Belgium, Finland, Greece, Ireland and the Netherlands). The full dataset also includes sub-national IFIs, which are excluded here.

IFIs provide non-partisan oversight and analysis of fiscal policy and budget performance. They include fiscal councils, fiscal planning bureaus and parliamentary budget offices that have been established with a high degree of operational independence from the executive and legislature.

Further reading

OECD (2020a), "Independent fiscal institutions: Promoting fiscal transparency and accountability during the Coronavirus (COVID-19) pandemic", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD Publishing, Paris, *https://doi.org/10.1787/d853f8be-en*.

OECD (2020b), "Legislative budget oversight of emergency responses: Experiences during the coronavirus (COVID-19) pandemic", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD Publishing, Paris, *https://doi.org/10.1787/ba4f2ab5-en*.

Figure notes

5.8. Brazil's IFI and the European Fiscal Board, an independent advisory body of the European Commission, are shown in the table but are not included in the totals. The following IFIs reported work was underway but not yet published as of 20 May 2020: Germany (assessments of government planning assumptions); Australia and Portugal (economic and fiscal scenario analysis); Greece's Council and Portugal (economic and fiscal forecasts in real time); and Germany and Iceland (monitoring activation and implementation of escape clauses).

5.8. IFI actions during the early months of the COVID-19 crisis, up to 20 May 2020

	Providing rapid analysis						
	Assessments of government planning assumptions	Self-initiated briefing notes	Economic and fiscal scenario analysis	Economic and fiscal forecasts in real time	Requests from committees/ legislators	Monitoring activation and implementation of escape clauses	Costing emergency legislation
Australia		✔			✔		
Austria – Council	✔	✔	✔	✔		✔	✔
Austria – PBO	✔	✔	✔	✔			✔
Belgium – Council	✔					✔	
Belgium – Planning Bureau		✔	✔	✔			
Canada	✔	✔	✔		✔		✔
Chile	✔	✔	✔	✔			
Czech		✔	✔			✔	✔
Denmark		✔	✔	✔			
Estonia	✔						
Finland – Audit Office	✔	✔			✔	✔	
Finland – Council	✔						
France	✔					✔	
Germany							
Greece – PBO			✔	✔			✔
Greece – Council	✔	✔	✔			✔	
Hungary	✔					✔	
Iceland					✔		
Ireland – Council	✔		✔			✔	
Ireland – PBO		✔			✔		✔
Italy	✔	✔	✔	✔	✔	✔	✔
Korea	✔	✔	✔	✔	✔		✔
Latvia	✔	✔			✔	✔	
Lithuania	✔			✔		✔	
Luxembourg							
Mexico		✔			✔		✔
Netherlands – Planning Bureau		✔	✔	✔			✔
Netherlands – Council	✔						
Portugal	✔	✔				✔	
Slovak		✔	✔	✔		✔	✔
Slovenia	✔		✔			✔	✔
Spain	✔	✔	✔	✔		✔	
Sweden	✔						
UK	✔	✔	✔	✔		✔	✔
US		✔		✔	✔		✔
OECD IFIs Total	22	21	17	14	10	16	14
Brazil		✔	✔	✔	✔	✔	✔
European Fiscal Board		✔					

Source: OECD (2020), "Independent fiscal institutions: Promoting fiscal transparency and accountability during the Coronavirus (COVID-19) pandemic", *https://doi.org/10.1787/d853f8be-en*.

StatLink https://doi.org/10.1787/888934257926

6. HUMAN RESOURCES MANAGEMENT

Attracting and recruiting public servants

Management of senior level public servants

Diversity and inclusion in the public service

People management responses to the COVID-19 pandemic in the public service

Measuring employee engagement

Attracting and recruiting public servants

Governments need to attract and recruit staff with an increasingly diverse range of skills to keep pace with today's policy and service delivery challenges. Some of these skillsets are in traditional fields like law or accounting; others are in still-emerging fields, such as data science or user experience design. Governments are in competition with the private sector for these skills, so they try to reach a wider range of candidates and improve the diversity and quality of the candidate pool.

The OECD has developed a new composite indicator on the use of proactive practices to recruit candidates with the skills needed (Figure 6.1). The tools included help employers understand what motivates candidates to apply for a public service position, and thus position themselves as an employer of choice through a variety of communication channels. It also considers their ability to match market wages. Canada, Korea and New Zealand make the widest use of these tools. New Zealand, for example, has an employment portal for government jobs emphasising the values of a diverse public service and explaining the variety of opportunities available. Countries like the Slovak Republic, Slovenia and Turkey may be more constrained by employment systems that do not permit pay flexibility, or use relatively few communication channels.

Governments also need to be able to assess candidates' complex cognitive, social and emotional skills. These are increasingly essential in fast-changing organisations. Table 6.2 shows that 19 out of 32 OECD countries (59%) test for analytical/cognitive competences during standardised testing and 20 (62%) do so using interviews. Behavioural competences are tested through interviews in 24 (75%) OECD countries. However, only 13 (41% of total) test cognitive or behavioural competences using more structured assessment centres which may allow for a more detailed examination in practice. Finally, 26 (81%) OECD countries test candidates' motivation to join the public sector during the interview stage, but only 8 (25%) countries use assessment centres (Table 6.2).

Attraction and recruitment go hand in hand: governments can no longer wait for candidates to come to them. Leading countries actively identify their target candidates and design specific strategies to reach them. This may be harder in closed career-based systems that privilege standardised testing. Increasingly specialised methods for assessing hard-to-assess competences can give public sector recruiters more scope to identify candidates able to perform in complex and uncertain environments. This in turn suggests the need to professionalise recruitment and provide skills development for those involved in selection processes.

Methodology and definitions

Data were collected through the attraction and retention, and recruitment modules of the 2020 Public Service Leadership and Capability survey. Most respondents were senior officials in central government human resource management (HRM) departments, and the data refer to HRM practices in central government. The survey was completed by all OECD countries except Chile and Iceland, one OECD accession country (Costa Rica), and Brazil and Romania. There are considerable variations in the definition of the civil service as well as the organisations at central government level. 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). Behavioural competences are personality traits which have been used to predict workplace behaviour with varying reliability depending on the measures.

The composite indicator is made up of the following aspects of employer attractiveness: 1) elements highlighted in recruitment material; 2) policies to attract more and better candidates with in-demand skills; 3) the use of methods to determine what attracts skilled employees; 4) adequate pay systems to attract good candidates; and 5) having actions in place to improve the representation of under-represented groups. The index ranges from 0 (no use of proactive recruitment practices) to 1 (high level of use of proactive recruitment practices). Further details on the composite index are available in Annex E. The variables comprising the index and their relative importance are based on expert judgements. They are presented with the purpose of constructing a pilot index, and so may evolve. Missing data for countries were estimated by mean replacement.

Further reading

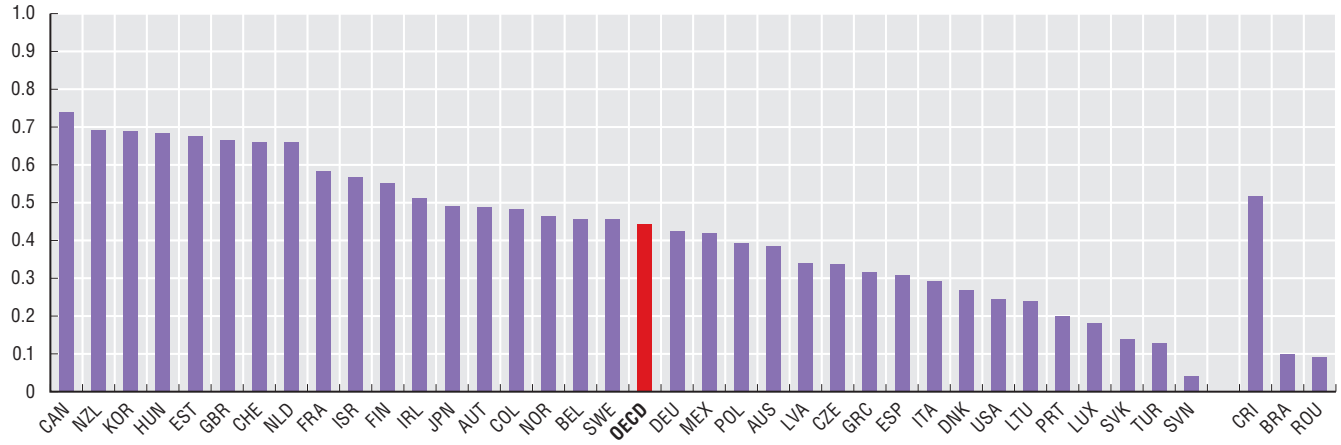
OECD (2019), *Recommendation of the Council on Public Service Leadership and Capability*, OECD, *https://legalinstruments.oecd.org/%20en/instruments/OECD-LEGAL-0445*.

Figure notes

Data for Chile and Iceland are not available.

6.2. Japan is not included as recruitment criteria are evaluated with different tools depending on the type of examination. Denmark is not included because of the lack of common processes in the central administration. Australia is not included because each agency decides on its recruitment procedures.

6.1. Pilot index: Use of proactive recruitment practices, 2020



Source: OECD (2020), *Public Service Leadership and Capability Survey*.

StatLink https://doi.org/10.1787/888934257945

6.2. Assessing cognitive and behavioural competences and motivation during recruitment, 2020

	CV screening	Standard exams	Interviews	Assessment centre	Reference check
Austria	◆❖		◆❖		
Belgium		■◆	◆❖	◆	
Canada	■◆❖	■◆❖	■◆❖	■◆❖	■◆❖
Colombia		■◆❖	■◆❖		
Czech Republic			■❖		
Estonia		■			◆❖
Finland	■		■◆❖		
France	■❖	■	■		
Germany			■◆❖	■◆❖	
Greece					
Hungary	❖		■◆❖	■◆	
Ireland		■	◆❖	■◆	
Israel		■◆❖	◆❖	■◆❖	
Italy		■			
Korea		■	■◆❖	■◆❖	
Latvia	❖	■	■◆❖	■◆	◆
Lithuania			■◆❖		
Luxembourg		■	◆❖		
Mexico	◆	■◆	■◆❖		
Netherlands	■◆		■◆❖	■	
New Zealand	❖		◆❖	■◆❖	◆❖
Norway			◆❖	◆❖	◆❖
Poland		■	■◆❖	■◆❖	
Portugal			■◆❖		
Slovak Republic		■	■◆❖	■◆	
Slovenia			■◆❖		
Spain		■		■	
Sweden	◆	■	■❖		◆
Switzerland	❖		■◆❖		
Turkey		■	◆❖		
United Kingdom	◆❖	■◆	■◆❖	■◆❖	
United States		■◆	■		
OECD Total					
■ Analytical/cognitive competences	4	19	20	13	1
◆ Behavioural competences	6	7	24	13	6
❖ Motivation	8	3	26	8	4
Brazil		■			
Costa Rica	■◆❖				■◆❖
Romania			◆❖		

Source: OECD (2020), *Public Service Leadership and Capability Survey*.

StatLink https://doi.org/10.1787/888934257964

Management of senior level public servants

Public service leaders – senior level public servants who lead and improve major government functions – are at the heart of government effectiveness. They translate political direction into the policies and programmes that keep citizens healthy, safe, and economically productive. They have to make space for innovation while managing risk and being accountable for results, support fast-moving political agendas, manage and transform vast public organisations, motivate and inspire their workforces, and be trusted partners to citizens and an ever-growing list of partners and stakeholders. All of this while promoting the highest level of personal and professional ethics and integrity. These challenges are made more acute in a context of increasingly fast-paced and disruptive change, illustrated most recently by the COVID-19 pandemic. This is why OECD countries use a range of policies to ensure senior level public servants have the skills and operating environments they need to be effective in their jobs.

The OECD recently developed an analytical model that identifies two sets of policies needed to manage senior level public servants: developing leadership capabilities, and managing performance and accountability (Gerson, 2020), captured in a pilot index. Canada, Israel, Korea and the United Kingdom are the four countries that make the most use of these policies overall. For example, Korea's competence assessment centre for senior level public servants helps to ensure that the leadership group is ready to take on complex policy challenges. Policies to develop leadership capabilities include defining leadership capabilities through competence frameworks, hiring people with these competences, and providing leaders with opportunities to learn and develop them. Canada, France, Ireland, the Netherlands and the United Kingdom are the countries making the most use of such policies. Policies to manage performance and accountability for results include the use of robust performance management systems and accountability frameworks. In this area Canada, Italy, Korea, Mexico and the United Kingdom have the highest scores (Figure 6.3).

Table 6.4 presents the specific ways in which the employment framework for senior level public servants differs from that of other public servants. The most common elements are a more centralised recruitment system and less job security (in 21 out of 34 OECD countries each, or 62%); a greater emphasis on avoiding conflicts of interest and on performance management (17 out of 34 OECD countries each, or 50%). One path to strengthening the senior level public service in many countries may be to develop a pipeline of future leaders within the public service. Investing in this area, through holistic talent management programmes that build skills among high-potential middle managers can help to ensure a ready pool of talent for these positions. However, only Canada and the United Kingdom make use of talent management to identify future senior level public servants early in their careers.

Methodology and definitions

Data were collected through the leadership module of the 2020 Public Service Leadership and Capability survey. Most respondents were senior officials in central government HRM departments, and the data refer to HRM practices in central government. The survey was completed by all OECD countries except Chile and Iceland, one OECD accession country (Costa Rica), and Brazil and Romania. For this survey, 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). For definitions of the senior occupation levels please refer to Annex D.

The composite indicator is made up of the following dimensions of senior level public service management: 1) the development of leadership capabilities; and 2) the use of performance and accountability tools. Each dimension is built from answers to several related questions. The index ranges from 0 (no policies to manage the senior level public service) to 1 (high level of use of policies to manage the senior level public service). Further details on the composite index are available in Annex E. The variables comprising the index and their relative importance are based on expert judgements. They are presented with the purpose of constructing a pilot index, and so may evolve. Missing data for countries were estimated by mean replacement.

Further reading

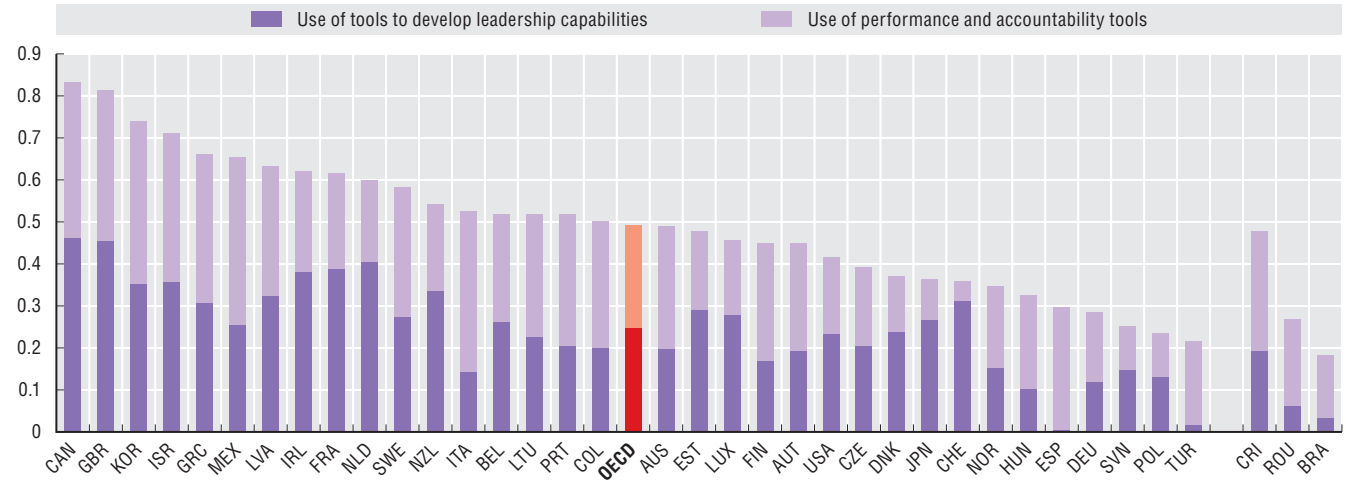
Gerson, D. (2020), "Leadership for a high performing civil service: Towards senior civil service systems in OECD countries", *OECD Working Papers on Public Governance*, No. 40, OECD Publishing, Paris, *https://doi.org/10.1787/ed8235c8-en*.

OECD (2019), *Recommendation of the Council on Public Service Leadership and Capability*, OECD, *https://legalinstruments.oecd.org/%20en/instruments/OECD-LEGAL-0445*.

Figure notes

Data for Chile, Iceland and the Slovak Republic are not available. Data for the Slovak Republic are not available as the senior level public service is not a formalised group.

6.3. Pilot index: Managing the senior level public service, 2020



Source: OECD (2020), *Public Service Leadership and Capability Survey*.

StatLink https://doi.org/10.1787/888934257983

6.4. Characteristics of the employment framework of senior level public servants, 2020

Country	Differences between senior level public servants compared to other public servants:								
	They are recruited with a more centralized process	They are identified early on in their careers and more attention is paid to the management of their careers	More emphasis is put into avoiding conflicts of interest	More emphasis is put into the management of their performance	They are encouraged to have more career mobility	The part of their pay that is performance-related is higher	Their appointment into a post is shorter (e.g. in case of fixed term contracts)	They can be dismissed or demoted more easily than other public servants	There are no differences, all public servants are under the same employment framework
Australia	○	○	○	●	○	○	○	○	○
Austria	○	○	○	○	○	○	●	○	○
Belgium	●	○	○	●	●	○	●	●	○
Canada	●	●	●	●	●	●	○	○	○
Colombia	●	○	●	●	○	●	●	●	○
Czech Republic	○	○	●	○	○	○	●	●	○
Denmark	●	○	●	○	○	●	○	○	○
Estonia	●	○	○	○	●	○	○	●	○
Finland	●	○	●	●	●	○	●	●	○
France	●	○	●	●	●	●	○	●	○
Germany	○	○	○	○	○	○	○	●	○
Greece	●	○	●	●	○	●	○	○	○
Hungary	○	○	●	●	○	○	○	●	○
Ireland	●	○	○	○	●	○	●	○	○
Israel	●	○	●	●	●	○	●	●	○
Italia	○	○	●	●	●	●	○	●	○
Japan	●	○	○	●	○	○	○	○	○
Korea	●	○	●	●	●	●	●	●	○
Latvia	●	○	●	●	○	○	●	○	○
Lithuania	○	○	○	●	○	○	○	○	○
Luxembourg	●	○	○	○	○	○	●	●	○
Mexico	●	○	○	○	○	○	○	●	○
Netherlands	●	○	○	○	●	○	○	○	○
New Zealand	●	○	○	○	○	○	○	○	○
Norway	○	○	○	○	○	○	○	○	●
Poland	○	○	●	○	○	○	○	●	○
Portugal	●	○	●	●	○	○	○	●	○
Slovenia	●	○	○	○	○	○	●	●	○
Spain	○	○	●	○	○	○	●	●	○
Sweden	●	○	○	●	○	○	●	●	○
Switzerland	○	○	○	○	○	○	○	○	●
Turkey	○	○	○	○	○	○	●	●	○
United Kingdom	●	●	●	●	●	●	○	●	○
United States	○	○	●	○	○	●	●	●	○
OECD Total									
● Yes	21	2	17	17	11	9	15	21	2
○ No	13	32	17	17	23	25	19	13	32
Brazil	○	○	●	○	●	○	●	●	○
Costa Rica	○	○	○	○	○	○	●	●	○
Romania	●	○	○	○	○	○	○	○	○

Source: OECD (2020), *Public Service Leadership and Capability Survey*.

StatLink https://doi.org/10.1787/888934258002

Diversity and inclusion in the public service

Increased diversity and inclusion in the public service workforce has emerged as a priority for governments across the OECD in recent years. A more diverse workforce can enhance people's trust, strengthen democracy and bring public sector innovation, as different perspectives and skill sets contribute to designing solutions to policy challenges (Nolan-Flecha, 2019). Effective diversity and inclusion strategies require a foundation of merit-based employment policies, open recruitment systems and robust legal protection from discrimination. Building on this, many countries go further by identifying gaps in workforce representation to develop policies to attract and recruit employees from under-represented groups.

The pilot composite index presented in Figure 6.5 captures three dimensions: the diversity of the workforce, the availability of data for measuring and tracking diversity in public sector workforces, and the use of tools to attract and recruit diverse employees at all levels. Canada, Israel, New Zealand and the United Kingdom are the top four countries when all three elements are combined, while France, Greece, Hungary and Ireland are among the higher-scoring countries in the diversity component. Collecting diversity data can be challenging given data protection limitations in many OECD countries but Australia, Austria and Colombia score highly for collecting and centralising standardised records of disaggregated workforce data by age, gender, disabilities or educational level. Korea, the Netherlands and Switzerland are among the countries making the most use of tools such as dedicated coaching or internship programmes, or recognising bias training for managers and panel members, to actively engage with under-represented groups, encourage them to apply to the civil service and address biases in recruitment processes.

Table 6.6 details the use of targets and policies for specific under-represented groups. Targets are the strongest mechanism as they set specific measurable objectives. They are used by 24 out of 33 OECD countries (73%) for people with disabilities in the whole public service, while 14 (42%) have targets for gender balance in their whole public service, and an additional 7 OECD countries (21%) only target gender balance at the senior levels of the public administration. These targets are gaining momentum: only 37% of OECD countries had hiring targets for people with disabilities in 2016, and 29% for women (OECD, 2017). When it comes to other under-represented groups, such as people from disadvantaged or migrant backgrounds and ethnic minorities, countries tend to prefer policies over targets. France, Hungary, Korea and New Zealand are the countries making the most use of targets to address diversity in their public workforce.

Methodology and definitions

Data were collected through the 2020 Public Service Leadership and Capability survey and the 2020 OECD Survey on the Composition of the Workforce in Central/Federal Governments. Most respondents were senior officials in central government HRM departments, and the data refer to HRM practices in central government. The survey was completed by all OECD countries except Chile and Iceland, one OECD accession country (Costa Rica), and Brazil and Romania. For this survey, 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).

The pilot index is made up of the following dimensions: 1) the diversity of the workforce; 2) the availability and use of data to track diversity and inclusion; and 3) the use of tools to develop a diverse and inclusive workforce. Each dimension is built from answers to several related questions. The index ranges from 0 (low level of effort to develop a diverse central government workforce) to 1 (high level of effort). Further details are available in Annex E. The variables comprising the index and their relative importance are based on expert judgements. They are presented with the purpose of constructing a pilot index, and consequently may evolve in the future. Missing data for countries were estimated by mean replacement.

Further reading

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*.

OECD (2019), *Recommendation of the Council on Public Service Leadership and Capability*, OECD, *https://legalinstruments.oecd.org/%20en/instruments/OECD-LEGAL-0445*.

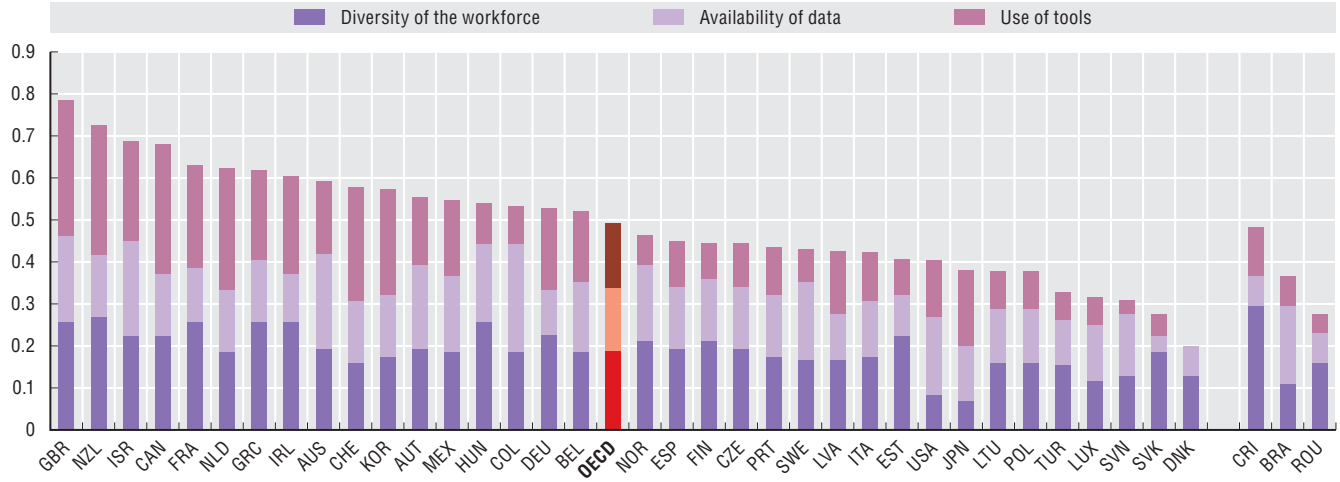
OECD (2017), *Government at a Glance 2017*, OECD Publishing, Paris, *https://doi.org/10.1787/gov_glance-2017-en*.

Figure notes

Data for Chile and Iceland are not available. Gender data for senior level public servants used in the indicator only refer to D1 for Austria, and D2 for Australia (see Annex D for more details on this classification).

6.6: Denmark and Sweden are not included because of the lack of common processes in the central administration.

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



Source: OECD (2020), *Public Service Leadership and Capability Survey*; OECD (2020), *Survey on the Composition of the Workforce in Central/Federal Governments.*

StatLink https://doi.org/10.1787/888934258021

6.6. Use of policies and specific targets to improve gender balance and the representation of under-represented groups in central government, 2020

	Women	People from disadvantaged social backgrounds	Ethnic minorities	Indigenous peoples	People with disabilities	People with migrant background	Young professionals	LGBTI	Veterans
Australia	■	⊙	□	■	■	□	□	□	⊙
Austria	■	⊙	⊙	⊙	■	⊙	⊙	⊙	⊙
Belgium	◆	■	⊙	⊙	■	⊙	⊙	⊙	⊙
Canada	■	⊙	■	■	■	⊙	□	⊙	□
Colombia	◆	□	□	□	■	⊙	■	⊙	⊙
Czech Republic	■	□	□	⊙	■	⊙	⊙	⊙	⊙
Estonia	□	□	□	⊙	■	⊙	□	□	⊙
Finland	■	□	□	□	□	□	⊙	⊙	⊙
France	■	■	⊙	⊙	■	■	■	■	■
Germany	■	⊙	□	⊙	■	□	□	□	⊙
Greece	□	□	□	□	◆	□	□	□	□
Hungary	■	■	■	⊙	■	⊙	■	⊙	⊙
Ireland	◆	□	■	■	■	□	⊙	□	⊙
Israel	■	⊙	■	⊙	■	□	⊙	⊙	⊙
Italy	□	⊙	⊙	⊙	■	⊙	⊙	⊙	⊙
Japan	■	⊙	⊙	⊙	■	⊙	⊙	⊙	⊙
Korea	■	■	⊙	⊙	■	■	■	⊙	■
Latvia	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙
Lithuania	⊙	⊙	⊙	⊙	■	⊙	⊙	⊙	⊙
Luxembourg	⊙	⊙	⊙	⊙	■	⊙	⊙	⊙	⊙
Mexico	◆	□	□	□	□	□	□	□	⊙
Netherlands	◆	⊙	□	⊙	■	□	□	□	⊙
New Zealand	■	⊙	■	■	□	■	⊙	□	⊙
Norway	□	⊙	□	⊙	■	□	⊙	□	⊙
Poland	⊙	⊙	⊙	⊙	■	⊙	■	⊙	⊙
Portugal	◆	⊙	⊙	⊙	□	⊙	⊙	⊙	⊙
Slovak Republic	⊙	⊙	⊙	⊙	□	⊙	⊙	⊙	⊙
Slovenia	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙
Spain	◆	⊙	⊙	⊙	■	⊙	⊙	⊙	⊙
Switzerland	■	□	□	⊙	■	□	■	□	⊙
Turkey	⊙	■	⊙	⊙	■	⊙	⊙	⊙	■
United Kingdom	■	■	■	⊙	■	⊙	⊙	⊙	■
United States	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	■
OECD Total									
■ Yes, targets for whole central/ federal administration	14	6	6	4	24	3	6	1	5
◆ Yes, but the targets are only for senior level public servants	7	0	0	0	1	0	0	0	0
□ No specific targets, but policies in place	4	8	11	4	5	10	7	10	2
⊙ No policies or targets in place	8	19	16	25	3	20	20	22	26
Brazil	⊙	⊙	■	⊙	■	⊙	⊙	⊙	⊙
Costa Rica	■	■	■	■	■	■	⊙	■	■
Romania	⊙	⊙	⊙	⊙	■	⊙	⊙	⊙	⊙

Source: OECD (2020) *Survey on the Composition of the Workforce in Central/Federal Governments.*

StatLink https://doi.org/10.1787/888934258040

People management responses to the COVID-19 pandemic in the public service

Public servants have been at the forefront of the COVID-19 response, developing emergency measures to keep populations healthy, safe and supported. To do so, the public service had to adapt, developing new ways of working in a constantly changing and often remote environment, integrating new tools and technology, and requiring unprecedented agility and resilience. Despite restrictions and lockdowns, public administrations managed to develop and use new tools and practices to ensure the continuity of public-service delivery to citizens, while keeping their own employees safe.

In this sense, remote working went from being seldom used to becoming the main, and often sole, way of working in many countries and administrations. During the first wave of the COVID-19 pandemic in the spring of 2020, 19 out of 25 (76%) OECD countries saw over half of their civil servants working remotely (Figure 6.7), and most expected increased remote working in the years to come. Most countries could count on existing tools and policies to enable remote working: 31 out of 34 OECD countries (91%) used existing communication channels to keep staff informed, 22 already had the IT infrastructure to enable remote work in place, and 20 did not have to change their remote working regulations/policies. However, and considering the depth of the change, additional tools were required to make the leap from occasional remote working to full remote working: 23 out of 34 OECD countries (68%) had to develop video conferencing and other communication tools which are now common and widespread (Table 6.8).

However, working remotely is not possible for all public servants, and the definition of essential workers has become increasingly relevant: 15 out of 34 OECD countries had already defined such positions, while 14 countries had to define, or redefine, them at the beginning of the crisis. Moreover, 31 OECD countries used special staffing regulations and policies, which often made it possible to move staff internally to face surges in demand. While 23 of these countries already had the necessary regulations and policies in place, 8 had to develop new policies and regulations to enable this change. This illustrates how the COVID-19 pandemic has enabled public services to identify effective policies in these areas, and develop new ones to create a highly flexible and agile workforce.

While highly challenging and stressful on public servants, the COVID-19 crisis may also be an opportunity to embed longer-term agility into public employment systems. For example, most of the implemented measures are expected to stay after the crisis, especially those tools related to remote working arrangements. A significant number of countries had to update policies around remote working, recruitment and leave, and put in place new tools to monitor the impact of the crisis on their workforce, including employee surveys. Many countries also needed to meet increased demands in various functions, including health, employment services and security services. They were able do so by developing tools for internal reallocation of staff and streamlined recruitment processes (Figure 1.7, Chapter 1). This crisis proved the resilience of public workforces across OECD countries, not only to integrate remote working, but to also introduce more flexibility to adapt to complex and fast-changing circumstances.

Methodology and definitions

Data were collected in the summer of 2020 through a special COVID-19 module of the 2020 Public Service Leadership and Capability survey. Most respondents were senior officials in central government HRM departments, and data refer to HRM practices in central government. The survey was completed by all OECD countries except Chile and Iceland, one OECD accession country (Costa Rica), and Brazil and Romania.

Further reading

OECD (2019), *Recommendation of the Council on Public Service Leadership and Capability*, OECD, *https://legalinstruments.oecd.org/%20en/instruments/OECD-LEGAL-0445*.

OECD (forthcoming), *The Future of Work in the Public Service*, OECD Publishing, Paris.

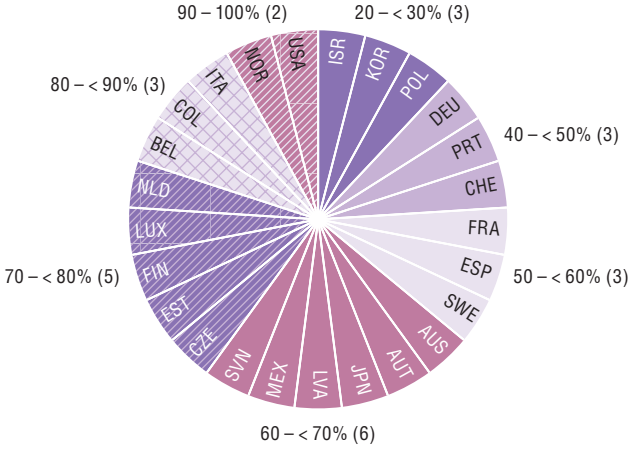
Figure notes

Data for Chile, Iceland and the United Kingdom are not available.

6.7. Data refer to the highest percentage of employees working remotely between March and July 2020. Data for Canada, Denmark, Greece, Hungary, Ireland, Lithuania, New Zealand, the Slovak Republic and Turkey are not available.

6.8. Data for Japan refer only to policies implemented at the central level, not including policies taken by individual ministries.

6.7. Share of the central government workforce who worked remotely during the first wave of the COVID-19 crisis, 2020



Source: OECD (2020), Special COVID-19 module of the *Public Service Leadership and Capability Survey*.

StatLink https://doi.org/10.1787/888934258059

6.8. Personnel management responses during the first wave of the COVID-19 pandemic, 2020

	Definition of essential positions	IT infrastructure enabling remote work (e.g. laptops/ VPN)	Remote working regulations/ policies	Video conferencing and other communication tools to enabling remote working	Leave policies for employees who were unable to work remotely	Recruitment/ staffing regulations/ policies (including internal mobility)	Communication channels to keep staff informed (e.g. website)	Co-ordination bodies (e.g. committees to co-ordinate the personnel management response)	Tools to track data on employee response (e.g. employee surveys, number of VPN connections, admin data)
Australia	◆❖	■❖	■❖	◆❖	◆❖	■❖	■❖	◆❖	■❖
Austria	◆	■❖	◆❖	◆❖	□	◆❖	■❖	□	◆
Belgium	◆❖	■❖	■❖	■❖	◆❖	■❖	■❖	◆	◆❖
Canada	■	◆❖	■❖	◆❖	■❖	■❖	◆❖	◆	◆❖
Colombia	◆❖	■❖	◆❖	◆❖	◆❖	■❖	■❖	■❖	◆❖
Czech Republic	■❖	■❖	■❖	■❖	■❖	■❖	■❖	■❖	■❖
Denmark	□	■❖	■❖	■❖	□	■❖	■❖	■❖	■❖
Estonia	■❖	■❖	■❖	■❖	□	■	■❖	■❖	■❖
Finland	■❖	■❖	■❖	■❖	■❖	■❖	■❖	■❖	■❖
France	◆❖	◆❖	■❖	■❖	■❖	■❖	■❖	■❖	■❖
Germany	■❖	■❖	■❖	◆❖	◆	◆	■❖	◆	□
Greece	◆	◆	■	■	◆	■	■	■	◆
Hungary	□	■❖	■❖	■❖	■❖	■❖	■❖	◆	◆
Ireland	◆❖	◆❖	◆❖	◆❖	◆	◆❖	◆❖	◆❖	◆❖
Israel	◆❖	■❖	■❖	◆❖	◆❖	◆	■❖	■❖	■❖
Italy	■❖	■❖	◆❖	◆❖	□	■❖	■❖	□	◆
Japan	□	■	□	□	■❖	□	□	□	□
Korea	■❖	■❖	■❖	■❖	■❖	■❖	■❖	■❖	■❖
Latvia	◆❖	■❖	◆❖	◆❖	◆❖	■❖	■❖	■❖	■❖
Lithuania	■❖	◆❖	■❖	◆❖	□	■❖	■❖	□	□
Luxembourg	■	◆❖	◆	◆❖	□	■	■	■	◆❖
Mexico	□	◆❖	◆❖	■❖	□	◆❖	■❖	◆❖	■❖
Netherlands	◆	■❖	■❖	◆❖	□	■❖	■❖	◆❖	□
New Zealand	◆	◆❖	◆❖	◆❖	◆	◆❖	■❖	◆❖	◆
Norway	■❖	■❖	◆	◆❖	■❖	■❖	■❖	□	□
Poland	■❖	◆❖	◆❖	◆❖	□	■❖	■❖	■❖	■❖
Portugal	■❖	◆❖	■❖	◆❖	□	■❖	■❖	□	◆
Slovak Republic	◆❖	■❖	■❖	◆❖	◆❖	□	■❖	■❖	□
Slovenia	■❖	■❖	■❖	◆❖	◆	■❖	■❖	■❖	□
Spain	◆	◆❖	◆❖	◆❖	■❖	■❖	■❖	■❖	□
Sweden	◆❖	■❖	◆❖	◆	□	■	■	■	□
Switzerland	■❖	◆❖	■❖	◆❖	◆	□	■❖	■❖	□
Turkey	□	■❖	◆	◆❖	◆	◆	■❖	■❖	□
United States	■❖	■❖	■❖	◆❖	■❖	◆❖	■❖	■❖	◆❖
OECD Total									
Already in place before the COVID-19 crisis ■	15	22	20	10	10	23	31	19	11
Newly developed or highly transformed ◆	14	12	13	23	13	8	2	9	12
This measure is expected to stay in place after the crisis ❖	22	32	29	31	16	24	30	21	17
Not applicable □	5	0	1	1	11	3	1	6	11
Brazil	■	□	□	□	□	□	□	□	□
Costa Rica	■❖	■❖	■❖	■❖	◆	◆❖	■❖	■❖	■❖
Romania	◆	■❖	◆❖	◆❖	◆❖	□	■❖	□	◆❖

Source: OECD (2020), Special COVID-19 module of the *Public Service Leadership and Capability Survey*.

StatLink https://doi.org/10.1787/888934258078

Measuring employee engagement

Engaged employees perform better, thus increasing productivity, public sector innovation and citizens' satisfaction. Organisations with more engaged employees also see less sick leave and higher retention rates. The drivers of employee engagement vary greatly, but common factors 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 people management.

The OECD facilitated the creation of a standard questionnaire module for comparing aspects of work and organisational engagement, and public service motivation. It was piloted in seven countries in 2020 via existing national public employment surveys.

Work engagement measures the relationship between employees and their job. In all the pilot countries, at least 67% of respondents are satisfied with their job, at least 42% consider that their work gives them a sense of accomplishment, and slightly fewer (at least 39%) are inspired by their job (Figure 6.9, Panel A). Organisational engagement measures the relationship between an employee and the organisation where they work (Figure 6.9, Panel B). The data here suggest that most public servants (at least 56%) strongly identify with the mission of their organisations, but feel less attached to the organisation itself. In Latvia the results are reversed. Finally, public service motivation has the highest average score of all the questions in all the countries, ranging from 81% in Belgium to 98% in Israel, highlighting the importance of contributing to the common good (Figure 6.9, Panel C). Taken together, the data show that public employees are highly motivated by mission, but suggest there are opportunities to improve organisational leadership and management policies to inspire public servants and build their pride in their organisation.

Some demographic differences exist. The gender differences were not statistically significant, but those based on age were. In Israel and Latvia, older cohorts scored slightly higher on all survey questions, while the opposite is true in Belgium (Figure 6.10). The difference reaches 0.73 in Latvia for organisational engagement. There could be many reasons for such differences, relating to the cultural environment, pay or career opportunities. Working patterns also affect engagement. In most of the OECD countries analysed, full-time employees were generally more positive than those working less than 90% full-time hours (Online Figure G.29). Only Latvia sees greater employee engagement from part-time workers. The integration of more variables and deeper analysis would be required to explain such difference between working patterns, but they suggest there may be challenges in generating employee engagement while increasing the use of flexible working patterns in the wake of the COVID-19 crisis.

Methodology and definitions

The module on employee engagement was designed by the OECD, academics and national experts in civil service surveys. The pilot countries reported in this publication (six OECD and Brazil) fielded 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, 3) The work I do gives me a sense of accomplishment; two questions on organisational engagement: 4) I feel a strong personal attachment to my organisation, 5) I identify with the mission of my organisation; and one on public service motivation: 6) It is important to me that my work contributes to the common good. Participating countries used a 1-5 scale where 1 = "strongly disagree" and 5 = "strongly agree". Employees responding 4 or 5 are considered to positively rate the statement. Brazil used a similar Likert scale, replacing numbers by sentences related to the agreement or disagreement with each statement.

Australia: 108 085 Australian Public Service personnel employed under the Public Service Act 1999 participated from 12 October to 13 November 2020.

Belgium: 1 735 employees from 3 different organisations participated, 2 of them conducted the survey during the second semester of 2019, the third at the end of 2020.

Israel: 6 605 employees participated from 1-15 December 2020.

Luxembourg: 261 civil servants, employees and, in some cases, external staff from 4 different administrations participated between November 2019 and December 2020.

Latvia: 5 778 civil servants from 153 state institutions participated from 21 October to 9 November 2019.

The Netherlands: 2 158 employees, representing a sample of civil servants in Dutch core ministries (excluding agencies and other executive services) participated from 3-25 November 2020.

Brazil: 32 393 employees from the Federal Executive Public Administration participated from 21 September to 23 October 2020.

Further reading

OECD (2019), *Recommendation of the Council on Public Service Leadership and Capability*, OECD, *https://legalinstruments.oecd.org/%20en/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*.

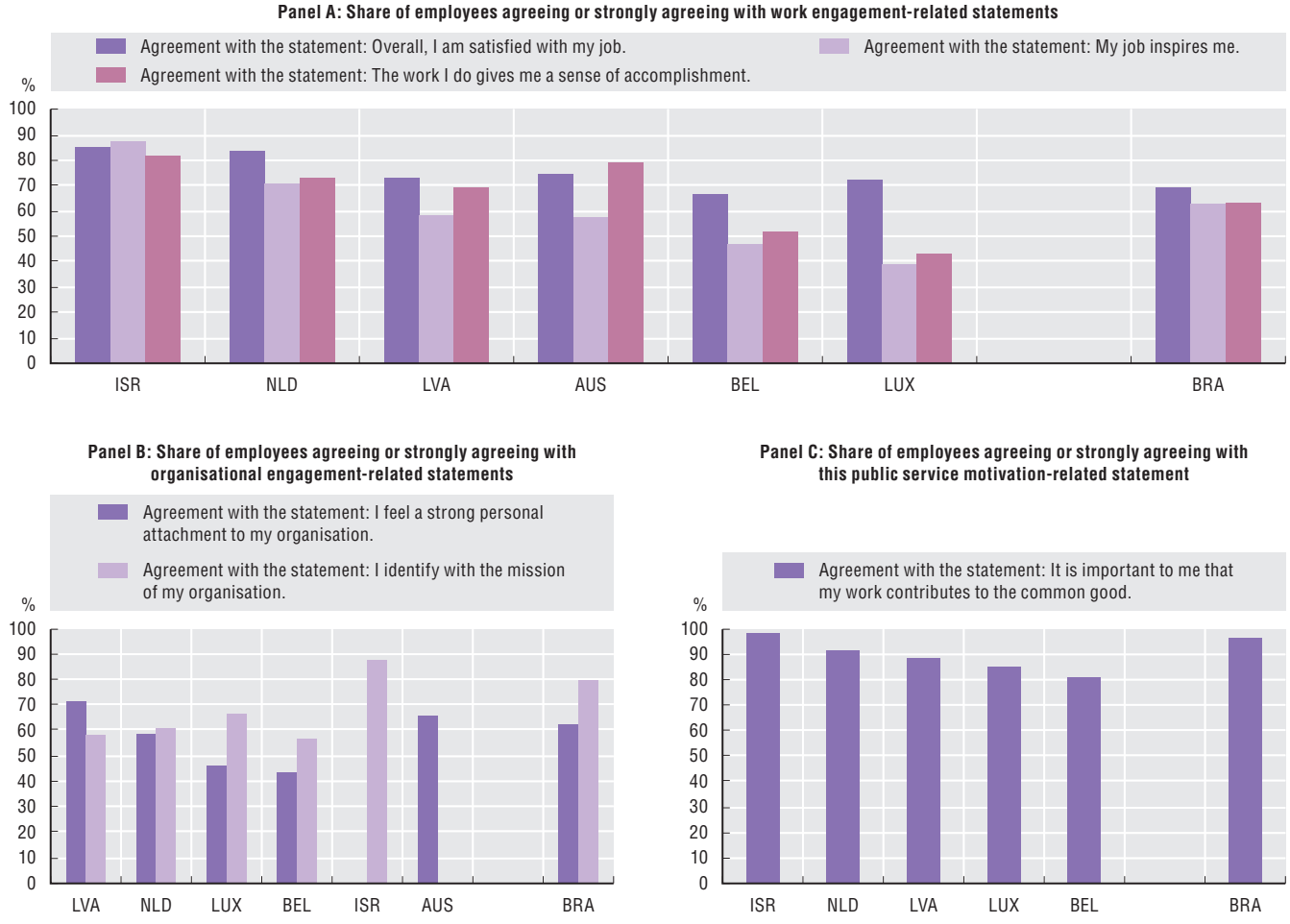
Figure notes

Data for Australia are not available for "I identify with the mission of my organisation" and "It is important to me that my work contributes to the common good". Data for Israel are not available for "I feel a strong personal attachment to my organisation".

6.10. Data for Luxembourg are not available.

G. 29. (Average employee engagement score by working pattern, 2020) is available online in Annex G.

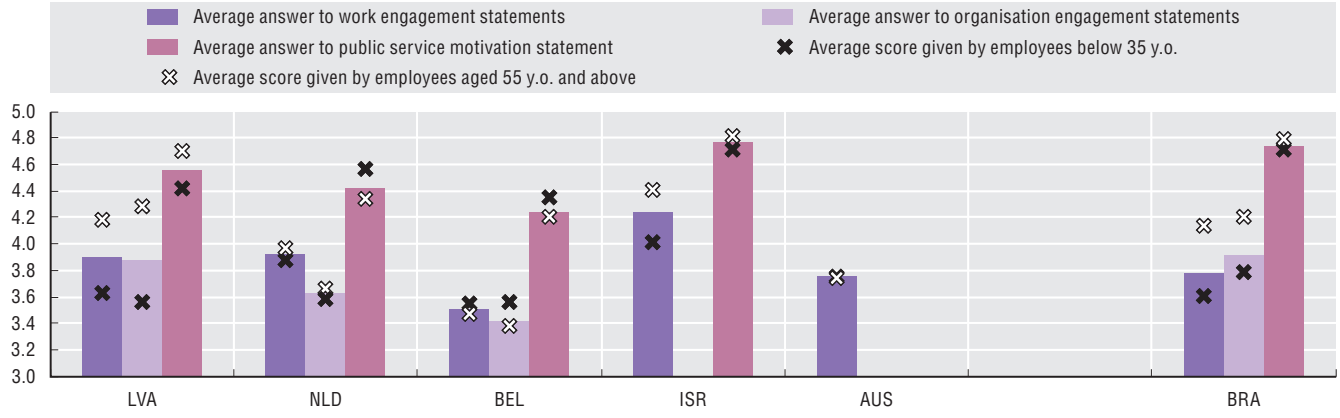
6.9. Share of public employees positively rating employee engagement, 2020



Source: OECD (2021), Special employee engagement module of the *Civil Service Survey*.

StatLink https://doi.org/10.1787/888934258097

6.10. Average employee engagement score and difference between age groups, 2020



Source: OECD (2021), Special employee engagement module of the *Civil Service Survey*.

StatLink https://doi.org/10.1787/888934258116

7. REGULATORY GOVERNANCE

Stakeholder engagement

Regulatory impact assessment

Ex post evaluation

The independence of economic regulators

Accountability arrangements of economic regulators

Assessing regulators' performance

Stakeholder engagement

Laws critically affect businesses, citizens and the public at large in their everyday lives. These groups can inform policy makers about how proposed regulations may impact them. Engaging with stakeholders is instrumental for good policy design as it increases public trust in policies and regulations and can improve compliance (as they were part of the decision making). It is important to involve them during early stages of policymaking, when problems and potential solutions are being identified, as well as once regulations have been drafted. However, since these stakeholders represent different needs and interests, and face different constraints, policy makers must be proactive and facilitate enough consultation opportunities. Engaging with stakeholders means not just receiving comments, but also responding to them and using them in the development of regulations where appropriate.

OECD countries more commonly consult stakeholders on draft regulations, and less often do so at an earlier stage. In many cases, the public generally only find out about consultations from posts on websites. Since business and citizens do not have time to constantly check government websites for new consultations, countries should adopt a more proactive approach. For instance, 8 OECD countries systematically inform stakeholders by e-mail about consultations, while a further 20 countries do so occasionally (Table 7.1).

In general, countries still need to improve how they treat stakeholder input. Showing how comments have influenced the final design of laws helps to engender a feeling of ownership and trust in the process. While most OECD countries make stakeholders' views publicly available in some way (via interactive websites, summary of comments, etc.), half respond to all comments or those they consider more relevant. More positively, 32 OECD and accession countries make comments available to decision makers (Table 7.1).

Consultation approaches vary depending on when the consultation is carried out. Policy makers in 34 OECD countries consult at an early stage with selected relevant groups (e.g. industry representatives, consumer groups or non-governmental organisations), while open consultations (e.g. broad circulation of regulations for comments or online consultations) are more commonly held at a later stage. This difference may be justified when consultations require expert input or are more complex, but it is important to also obtain feedback from a broad range of stakeholders for regulations of a more general nature at an early stage, when they can help to identify and correctly define policy problems and potential solutions. Only 2 OECD countries conduct all early stage consultations online, 1 more than in 2017, and 11 conduct all consultations for draft regulations online, 3 more than in 2017. The use of virtual consultations has noticeably increased since 2017: from 13 to 23 OECD countries for early stage consultations, and from 15 to 21 for late stage consultations (Figure 7.2).

Methodology and definitions

The Indicators of Regulatory Policy and Governance (iREG) survey draws on responses from delegates to the OECD Regulatory Policy Committee and central government officials. The survey was responded to by 37 OECD countries in 2017 and 2021. Costa Rica and the European Union responded in both rounds. The data only cover primary laws and subordinate regulations initiated by the executive. In most OECD and accession countries, a majority of primary laws are initiated by the executive. The exceptions are Colombia, Korea, Mexico, Portugal, Switzerland and Costa Rica, where a higher share of primary laws are initiated by the legislature. Questions on primary laws are not applicable to the United States, as the US executive does not initiate primary laws at all. More information on the iREG indicators can be found at *oe.cd/ireg*.

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

Early stage consultation is conducted when policy makers have identified that a public policy problem exists and are considering various ways to solve it. Late stage consultation is conducted when the decision to regulate has been made and there is already a draft of the proposed regulation.

Further reading

OECD (forthcoming), *Regulatory Policy Outlook 2021*, OECD Publishing, Paris.

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

Lind, E. and C. Arndt (2016), "Perceived fairness and regulatory policy: A behavioural science perspective on government-citizen interactions", *OECD Regulatory Policy Working Papers*, No. 6., OECD Publishing, Paris, *https://doi.org/10.1787/1629d397-en*.

Figure notes

7.1. Data for Colombia, Korea, Mexico, Portugal, Switzerland and Costa Rica refer to their responses on consultations on subordinate regulations, since in those countries primary laws are rarely initiated by the executive. Since in the United States the executive does not initiate primary laws at all, their answers for consultations on subordinate regulations are shown.

7.2. Data excludes the United States since data correspond to consultations conducted for the development of primary laws. Data include Costa Rica and the European Union.

7.1. Stakeholder engagement and treatment of comments by policy makers, 2021

Systematic | Non-systematic | Never

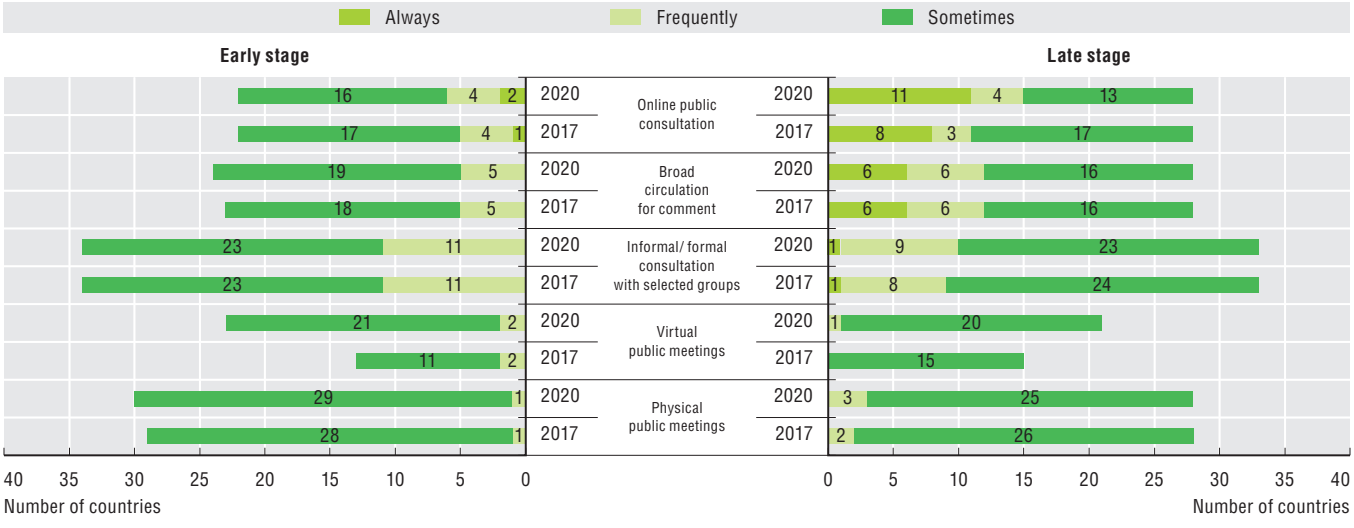
Yes | No

	Public knowledge of consultation				Consultation conducted		How comments are treated by policy makers		
	Before the consultation is conducted	Through central website for consultation	E-mail notification	Through social media	Early stage	Late stage	Comments are publicly available	Policy makers respond to comments	Comments made available to decision makers
Australia	Systematic	Non-systematic	Non-systematic	Non-systematic	Systematic	Systematic	Yes	No	Yes
Austria	Never	Systematic	Never	Never	Non-systematic	Systematic	Yes	No	No
Belgium	Never	Non-systematic	Never	Never	Systematic	Systematic	Yes	No	Yes
Canada	Systematic	Systematic	Non-systematic	Non-systematic	Systematic	Non-systematic	Yes	No	Yes
Chile	Systematic	Non-systematic	Non-systematic	Non-systematic	Non-systematic	Non-systematic	Yes	Yes	Yes
Colombia	Non-systematic	Non-systematic	Non-systematic	Non-systematic	Non-systematic	Systematic	Yes	Yes	No
Czech Republic	Never	Never	Never	Non-systematic	Non-systematic	Systematic	Yes	Yes	Yes
Denmark	Never	Systematic	Non-systematic	Never	Non-systematic	Systematic	Yes	Yes	No
Estonia	Never	Systematic	Non-systematic	Non-systematic	Non-systematic	Systematic	Yes	Yes	Yes
Finland	Systematic	Non-systematic	Systematic	Systematic	Non-systematic	Systematic	Yes	No	Yes
France	Non-systematic	Non-systematic	Non-systematic	Never	Non-systematic	Non-systematic	Yes	No	Yes
Germany	Never	Non-systematic	Non-systematic	Non-systematic	Non-systematic	Systematic	Yes	No	Yes
Greece	Non-systematic	Systematic	Non-systematic	Non-systematic	Non-systematic	Systematic	Yes	No	Yes
Hungary	Never	Systematic	Never	Never	Never	Systematic	No	No	No
Iceland	Never	Systematic	Systematic	Non-systematic	Systematic	Systematic	Yes	Yes	Yes
Ireland	Never	Non-systematic	Non-systematic	Non-systematic	Non-systematic	Non-systematic	Yes	No	Yes
Israel	Never	Non-systematic	Non-systematic	Non-systematic	Non-systematic	Systematic	Yes	No	Yes
Italy	Systematic	Systematic	Non-systematic	Non-systematic	Systematic	Non-systematic	Yes	Yes	Yes
Japan	Never	Never	Never	Never	Never	Never	No	No	Yes
Korea	Systematic	Systematic	Non-systematic	Non-systematic	Non-systematic	Systematic	Yes	Yes	Yes
Latvia	Non-systematic	Systematic	Non-systematic	Non-systematic	Non-systematic	Systematic	Yes	Yes	Yes
Lithuania	Never	Systematic	Non-systematic	Non-systematic	Non-systematic	Systematic	Yes	No	Yes
Luxembourg	Never	Non-systematic	Never	Never	Non-systematic	Systematic	Yes	No	Yes
Mexico	Never	Systematic	Systematic	Systematic	Non-systematic	Systematic	Yes	Yes	Yes
Netherlands	Never	Systematic	Systematic	Non-systematic	Non-systematic	Systematic	Yes	Yes	Yes
New Zealand	Non-systematic	Non-systematic	Non-systematic	Non-systematic	Systematic	Systematic	Yes	Yes	Yes
Norway	Never	Systematic	Non-systematic	Never	Non-systematic	Systematic	Yes	No	Yes
Poland	Non-systematic	Systematic	Systematic	Non-systematic	Non-systematic	Systematic	Yes	Yes	Yes
Portugal	Never	Non-systematic	Non-systematic	Non-systematic	Non-systematic	Systematic	No	No	No
Slovak Republic	Systematic	Systematic	Systematic	Never	Non-systematic	Systematic	Yes	Yes	Yes
Slovenia	Systematic	Systematic	Systematic	Non-systematic	Non-systematic	Systematic	Yes	No	Yes
Spain	Never	Non-systematic	Non-systematic	Non-systematic	Non-systematic	Systematic	Yes	No	Yes
Sweden	Never	Systematic	Never	Never	Non-systematic	Systematic	Yes	No	Yes
Switzerland	Systematic	Systematic	Never	Never	Non-systematic	Systematic	Yes	No	Yes
Turkey	Never	Never	Never	Never	Non-systematic	Systematic	No	No	Yes
United Kingdom	Non-systematic	Systematic	Systematic	Non-systematic	Systematic	Systematic	Yes	Yes	Yes
United States	Non-systematic	Systematic	Non-systematic	Non-systematic	Non-systematic	Systematic	Yes	Yes	Yes
OECD Total									
Systematic	9	21	8	2	7	31			
Non-systematic	8	13	20	23	28	5			
Never	20	3	9	12	2	1			
Yes							33	18	32
No							4	19	5
Costa Rica	Non-systematic	Systematic	Non-systematic	Non-systematic	Non-systematic	Systematic	Yes	Yes	Yes
European Union	Systematic	Systematic	Systematic	Systematic	Systematic	Systematic	Yes	Yes	Yes

Source: OECD *Indicators of Regulatory Policy and Governance* (iREG) survey, 2021.

StatLink https://doi.org/10.1787/888934258135

7.2. Forms of stakeholder engagement for early and late stage consultations, 2017 and 2021



Source: OECD *Indicators of Regulatory Policy and Governance* (iREG) survey, 2017 and 2021.

StatLink https://doi.org/10.1787/888934258154

Regulatory impact assessment

Governments in OECD countries face constant calls to intervene to protect consumers, workers, the environment and so on, particularly during the COVID-19 pandemic and ensuing crisis. At the same time, governments also face calls for policy making to be increasingly evidence-based and transparent, as a way to ensure inclusiveness and accountability. Regulatory impact assessment (RIA) provides policy makers with crucial evidence to develop more effective and efficient regulations.

RIAs help policy makers to identify the best solution, including not regulating. Officials should consider the current ("do nothing") scenario as well as alternative ways to solve policy problems, including non-regulatory means such as industry-led agreements. A number of OECD countries do not systematically consider the do nothing or alternative options, with most analysing only the preferred option (Figure 7.3). This suggests that decision makers are not always informed about the current situation before regulating and therefore do not always have a meaningful baseline against which to compare the various forms of proposed interventions. Analysing a range of alternative options also helps decision makers form a complete picture of the potential effects of a regulation, which some OECD countries are lacking.

Policy makers assess the economic impact of regulations (e.g. on competition and small businesses), but now increasingly consider other factors, such as poverty, gender equality and the environment (Figure 7.4). This is partially in response to global events and changes in community attitudes, especially as a result of the fight against climate change. Some OECD and accession countries could do more to consider the effects of regulations on social and environmental factors, especially as such impacts are often assessed disjointedly and as assessments based purely on economic criteria do not always identify potential unintended consequences.

Ill-informed or rushed laws can have negative consequences. In genuinely unforeseeable emergency situations the introduction of time-critical regulations may need to be accelerated. At the same time, RIA is of most benefit when potential impacts are large, as they are during crises. RIAs can identify better alternatives, avoid undesirable impacts and help to identify possible unintended consequences. At the onset of an emergency, there may not be much information to hand when introducing laws. Countries need flexibility in the application of RIA in emergency situations. For instance, Canada relaxed certain RIA requirements to monetise impacts for COVID-related laws (e.g. allowing for more qualitative vs. quantitative impacts for subordinate regulations), so that RIA could still be used in decision making. The lack of initial information and the time to collect it places more emphasis on monitoring and evaluation once laws take effect so that future amendments are evidence-based. However some OECD countries have avoided using RIA during emergencies, particularly during the COVID-19 pandemic (Figure 7.5). Scheduled reviews of laws introduced at the start of the pandemic may not take place for some years, potentially extending any adverse impact longer than necessary.

Methodology and definitions

The Indicators of Regulatory Policy and Governance (iREG) survey draws on responses from delegates to the OECD Regulatory Policy Committee and central government officials. The survey was responded to by 37 OECD countries in 2017 and 2021, and 34 OECD countries in 2014. Costa Rica replied in 2017 and 2021, and the European Union in all three rounds.

The data cover primary laws and subordinate regulations initiated by the executive. In most OECD and accession countries, a majority of primary laws are initiated by the executive. The exceptions are Colombia, Korea, Mexico, Portugal, Switzerland and Costa Rica, where a higher share of primary laws are initiated by the legislature. Questions on primary laws are not applicable to the United States, as the US executive does not initiate primary laws at all. More information on the iREG indicators can be found at *oe.cd/ireg*.

Regulatory impact assessment (RIA) is a systematic process used to identify and quantify the costs and benefits likely to flow from a regulatory or non-regulatory option for a policy under consideration. As a minimum, every RIA should include a description of the problem and the objective sought, identify potential solutions, analyse benefits and costs, and explain how the proposal will be monitored and evaluated.

Further reading

OECD (forthcoming), *Regulatory Policy Outlook 2021*, OECD Publishing, Paris.

Davidson, P., C. Kauffmann and M. de Liedekerke (2021), "How do laws and regulations affect competitiveness: The role for regulatory impact assessment", *OECD Regulatory Policy Working Papers*, No. 15, OECD Publishing, Paris, *https://doi.org/10.1787/7c11f5d5-en*.

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

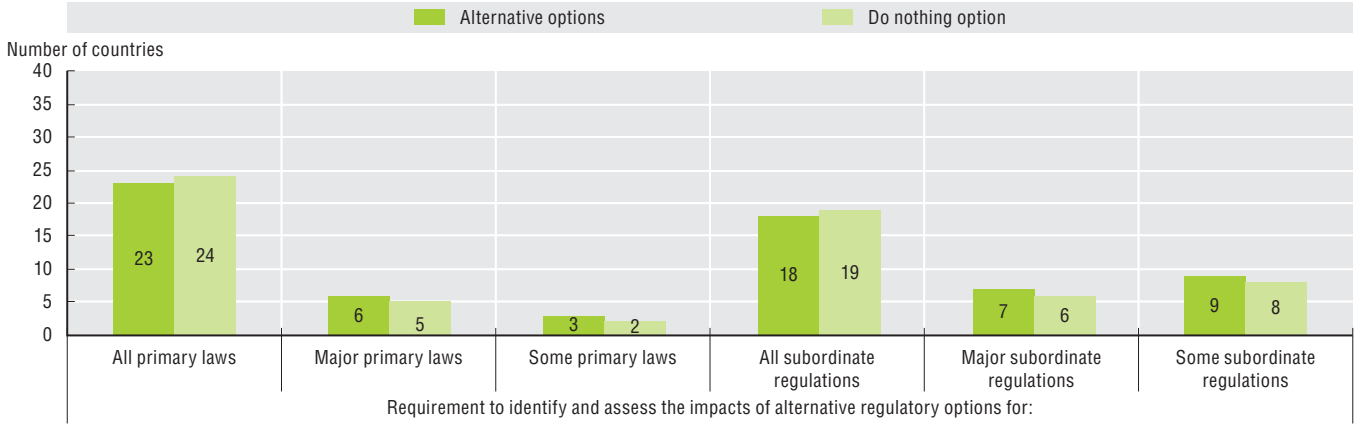
Figure notes

7.3. Data include Costa Rica and the European Union.

7.4. Data consider answers for reviews of impacts of both primary laws and subordinate regulations on a range of factors. The answer options are "Yes/ No". If a country answered differently for primary laws and subordinate regulations, the higher value ("Yes") of the two answers provided is shown for each country.

7.5. Data are based on 34 OECD countries and the European Union. Data for 2014 are not available for Colombia, Latvia and Lithuania.

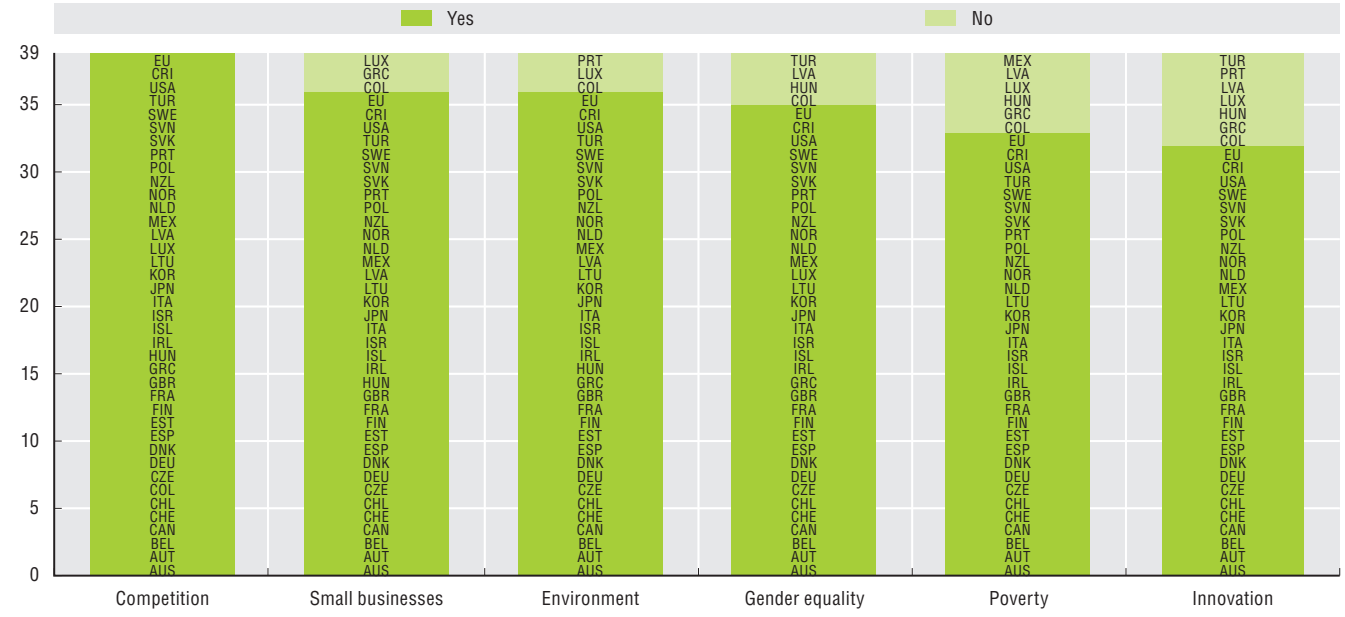
7.3. Assessment of alternative and current (i.e. "do nothing") options for laws and regulations, 2021



Source: OECD *Indicators of Regulatory Policy and Governance (iREG)* survey, 2021.

StatLink https://doi.org/10.1787/888934258173

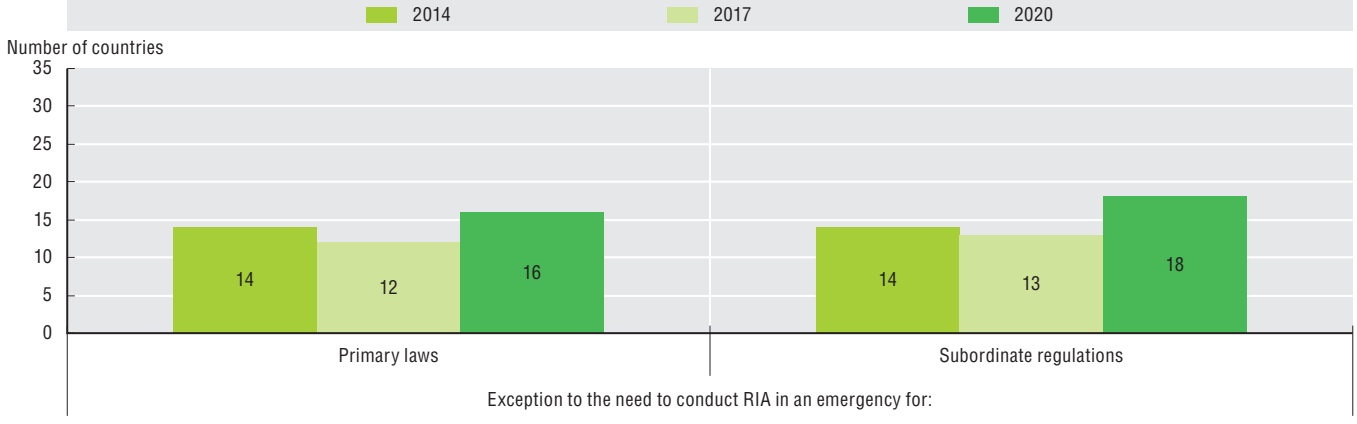
7.4. Types of impacts required to be assessed in RIA for primary laws and subordinate regulations, 2021



Source: OECD *Indicators of Regulatory Policy and Governance (iREG)* survey, 2021.

StatLink https://doi.org/10.1787/888934258192

7.5. Exceptions to the need to conduct RIA on emergency laws and regulations, 2014, 2017 and 2021



Source: OECD *Indicators of Regulatory Policy and Governance (iREG)* survey, 2014, 2017, and 2021.

StatLink https://doi.org/10.1787/888934258211

Ex post evaluation

All laws are experiments to some extent – there are often uncertainties about how regulations might actually affect citizens and businesses in practice. *Ex post* evaluation helps to assess whether laws are working as originally intended and, if not, to propose improvements. Evaluations can highlight unforeseen technological and other changes that may render laws ineffective. Left unchecked, the stock of laws will continue to grow unabated creating unnecessary red tape for citizens and businesses. Evaluations also operate as an important check to ensure that laws are still justified and in the public interest. In turn, this helps to build community support for laws and boost trust in government action as it increases the level of transparency and accountability.

Levels of evaluations across OECD countries remains low despite their importance in ensuring that regulations continue to improve societal wellbeing. Only one-third of OECD countries have systematic requirements in place to conduct *ex post* evaluations, with the number essentially unchanged since 2014. This represents a significant weakness as committed leadership is crucial to a well-functioning *ex post* evaluation system. To some extent this is unsurprising – governments are often concerned about the political and economic consequences of being shown to have made "bad" decisions previously. Yet this is an unduly narrow view of the benefits that a sound evaluation system provides. Evaluations may incidentally provide opportunities to learn from past mistakes, but this is in order to avoid repeating them, rather than to enter into some sort of "blame game". Evaluations should be viewed as an opportunity to enhance the certainty and stability of the existing regulatory framework, foster greater competitiveness, and improve wellbeing.

Ensuring that planned evaluations actually take place is an important first step to overcoming a "set and forget" mentality that still persists in many countries. Only a handful of OECD countries have mechanisms to ensure that there are consequences if planned evaluations do not actually take place, such as public reporting on non-compliance (Figure 7.6). Cultural change is required to better appreciate that evaluations are an integral part of a system that assists to deliver good outcomes to its citizens.

Assessing whether regulations have achieved their objectives ought to be at the heart of any evaluation. It is critical to learn if laws have worked as originally intended, and if not, to understand the reason or reasons why not. Results from the iREG survey show that more than 40 per cent of OECD countries are required to identify a process to assess progress in achieving a regulation's goals at the time when it is first developed. However, OECD countries are less likely to have requirements in place when conducting evaluations to assess whether the underlying policy goals were in fact achieved (Table 7.7). This represents a missed opportunity to learn whether laws are delivering good outcomes in practice for citizens and businesses.

Methodology and definitions

The Indicators of Regulatory Policy and Governance (iREG) survey draws on responses from delegates to the OECD Regulatory Policy Committee and central government officials. In 2021, the survey was responded to by 37 OECD countries, Costa Rica and the European Union. More information on the iREG indicators can be found at *oe.cd/ireg*.

Ex post evaluations refer to the process of assessing 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.

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

Further reading

OECD (forthcoming), *Regulatory Policy Outlook 2021*, OECD Publishing, Paris.

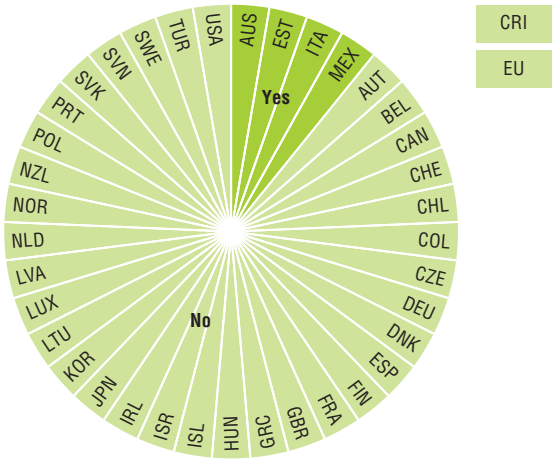
OECD (2020), *Reviewing the Stock of Regulation*, OECD Best Practice Principles for Regulatory Policy, OECD Publishing, Paris, *https://doi.org/10.1787/1a8f33bc-en*.

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

Figure note

7.6. and 7.7. Data include Costa Rica and the European Union.

7.6. Mechanisms to ensure that planned *ex post* evaluations take place, 2021



Source: OECD *Indicators of Regulatory Policy and Governance (iREG)* survey, 2021.

StatLink https://doi.org/10.1787/888934258230

7.7. *Ex post* evaluation of regulations against underlying goals, 2021

For all primary laws/subordinate regulations	For major primary laws/ subordinate regulations	For some primary laws/ subordinate regulations	Never	Not applicable

	When designing laws, policy makers have processes in place to identify the achievement of a regulation's goals		Are evaluations required to assess whether the underlying policy goals have been achieved?	
	Primary laws	Subordinate regulations	Primary laws	Subordinate regulations
Australia				
Austria				
Belgium				
Canada				
Chile				
Colombia				
Czech Republic				
Denmark				
Estonia				
Finland				
France				
Germany				
Greece				
Hungary				
Iceland				
Ireland				
Israel				
Italy				
Japan				
Korea				
Latvia				
Lithuania				
Luxembourg				
Mexico				
Netherlands				
New Zealand				
Norway				
Poland				
Portugal				
Slovak Republic				
Slovenia				
Spain				
Sweden				
Switzerland				
Turkey				
United Kingdom				
United States				
OECD total				
For all primary laws/ subordinate regulations	10	9	6	6
For major primary laws/ subordinate regulations	6	6	2	3
For some primary laws/ subordinate regulations	10	7	7	9
Never	10	15	22	19
Costa Rica				
European Union				

Source: OECD *Indicators of Regulatory Policy and Governance (iREG)* survey, 2021.

StatLink https://doi.org/10.1787/888934258249

The independence of economic regulators

Economic regulators oversee key network sectors that offer critical services. These regulatory authorities play a key role in market functioning and safeguarding the public interest, intervening at the interface between political authorities, businesses and citizens. Many governments choose to grant a degree of independence to economic regulators to limit political influence over their decision making. This independence, when combined with accountability and transparency measures, maintains their credibility and predictability for investors, operators and consumers. Even the perception of bias can hinder regulators' capacity and credibility as referees mediating between stakeholders and their interests. Robust governance arrangements can safeguard their capacity for technical decision making free from undue influence. Countries can implement a range of such governance arrangements, including establishing legally independent regulators to signal a commitment to long-term goals beyond political cycles.

The OECD Indicators on the Governance of Sector Regulators map the governance arrangements of economic regulators in five network sectors. They show a degree of convergence in the arrangements safeguarding the independence of regulators in OECD countries. This reflects that these regulators have fewer good practice governance arrangements to guarantee their independence, such as rules within which regulators' leadership is appointed and dismissed , limitations on input into certain decisions and processes, and measures to protect budgetary autonomy (Table 7.8).

Many OECD countries have established legally independent regulators. The OECD recommends that countries consider establishing independent regulators to maintain public confidence, competitive neutrality between public and private enterprises, and impartiality for significant decisions. Among OECD countries, 32 out of 37 regulatory bodies (86%) in the energy sector are independent, as are 30 out of 36 (83%) in the e-communications sector and 29 out of 35 (83%) in the rail sector. In the air transport and water sectors, the share of independent regulators is lower, with 15 out of 31 air transport regulators (48%) and 15 out of 20 water regulators (75%) qualifying as independent bodies. Ministerial regulators that are not at arms length from the government are only in the majority in the air transport sector (Figure 7.9).

Methodology and definitions

The OECD Indicators on the Governance of Sector Regulators form part of the work programme of the OECD Network of Economic Regulators and measure the governance of economic regulators in the energy, e-communications, rail transport, air transport and water sectors. The indicators cover regulators in all OECD countries and in many non-OECD countries. The Secretariat derives the indicators from a questionnaire, distributed alongside the OECD's Product Market Regulation survey. In general, respondents to the questionnaire were high-level officials in regulatory agencies and/or relevant ministries. The responses go through a rigorous data verification and validation process by the OECD Secretariat, verifying their completeness, consistency and accuracy in consultation with the respondents. The indicators are calculated by averaging equally weighted questions and sub-questions, to avoid imposing judgements about the importance of elements within the composite indicators. They are mapped on a scale from 0 (most effective governance arrangements) to 6 (least effective governance arrangements), in line with the Product Market Regulation methodology. The process of developing the questionnaire, collecting the data, validating the responses and analysing the results benefitted from the extensive support of the OECD Network of Economic Regulators. For a complete description of the methodology see Casullo et al. (2019).

The indicators are divided into three components: independence, accountability and scope of action. This two-pager analyses the independence component which maps the degree to which a regulator operates independently and with no undue influence from political power and regulated sectors.

Further reading

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*.

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

OECD (2017), *Creating a Culture of Independence: Practical Guidance against Undue Influence*, The Governance of Regulators, OECD Publishing, Paris, *https://doi.org/10.1787/9789264274198-en*.

Figure notes

7.8. The composite indicator is calculated as an average of component scores, ranging from 0 (the most effective) to 6 (the least effective) governance arrangements.

Grey cells in the table denote no regulator.

The Spanish National Commission of Markets and Competition (CNMC, with indicator data in the energy, e-communications and rail transport sectors) is subject to approval of different Ministries concerning essential decisions to hire and retain its permanent staff and to design and expend its allotted budget. Budget restrictions apply in particular to human resources and the possibility to hire studies or special assistance services, like research or IT. Likewise, any modification of the organisation of the CNMC requires a legal act adopted by the Government.

7.8. Independence indicator scores for regulators in OECD countries by sector, 2018

Note: A higher score indicates that a regulator is further from good practice in the independence component.

	Energy	E-communications	Rail transport	Air transport	Water
Australia	0.96	1.47	1.47	1.47	1.47
Austria	1.47	1.27	0.74	2.53	.
Belgium	1.10	1.02	1.52	1.18	2.69
Canada	2.59	2.89	3.66	3.29	.
Chile	2.61	2.93	3.94	2.38	2.12
Colombia	1.87	1.27	3.29	3.43	1.36
Czech Republic	1.80	1.22	1.58	1.93	2.44
Denmark	2.24	2.29	1.93	2.36	1.56
Estonia	1.67	.	1.67	1.67	1.67
Finland	2.08	1.66	2.32	.	.
France	0.99	1.07	1.39	1.72	.
Germany	2.00	2.10	1.80	.	.
Greece	1.47	1.41	1.62	2.98	.
Hungary	1.41	0.86	2.16	2.21	1.30
Iceland	2.10	2.27	.	.	.
Ireland	1.77	1.44	2.03	1.92	1.52
Israel	1.42	1.80	1.99	1.38	1.49
Italy	1.17	1.18	0.66	0.66	1.17
Japan	2.41	3.25	3.17	2.83	.
Korea	2.27	1.94	.	.	1.78
Latvia	0.88	0.88	1.44	2.57	0.88
Lithuania	1.46	1.54	1.82	2.42	1.46
Luxembourg	1.77	1.77	1.88	1.88	.
Mexico	1.13	0.66	2.79	2.72	.
Netherlands	1.85	1.85	1.85	1.97	2.98
New Zealand	1.81	1.87	2.52	3.18	.
Norway	2.13	2.25	1.58	2.94	.
Poland	1.52	1.85	1.58	2.57	.
Portugal	0.79	1.02	1.02	1.02	0.92
Slovak Republic	1.70	1.02	1.21	.	1.43
Slovenia	1.38	1.27	0.96	.	.
Spain	1.46	1.32	1.16	2.35	.
Sweden	3.43	2.94	2.41	2.84	.
Switzerland	2.70	2.43	2.16	3.41	.
Turkey	1.37	1.82	2.97	1.94	.
United Kingdom	1.27	1.56	1.66	1.51	2.29
United States	1.43	1.88	1.89	3.02	.
US - New York	.	.	.	.	1.70
US - Texas	.	.	.	.	1.59
OECD average	**1.72**	**1.70**	**1.94**	**2.27**	**1.69**

Legend

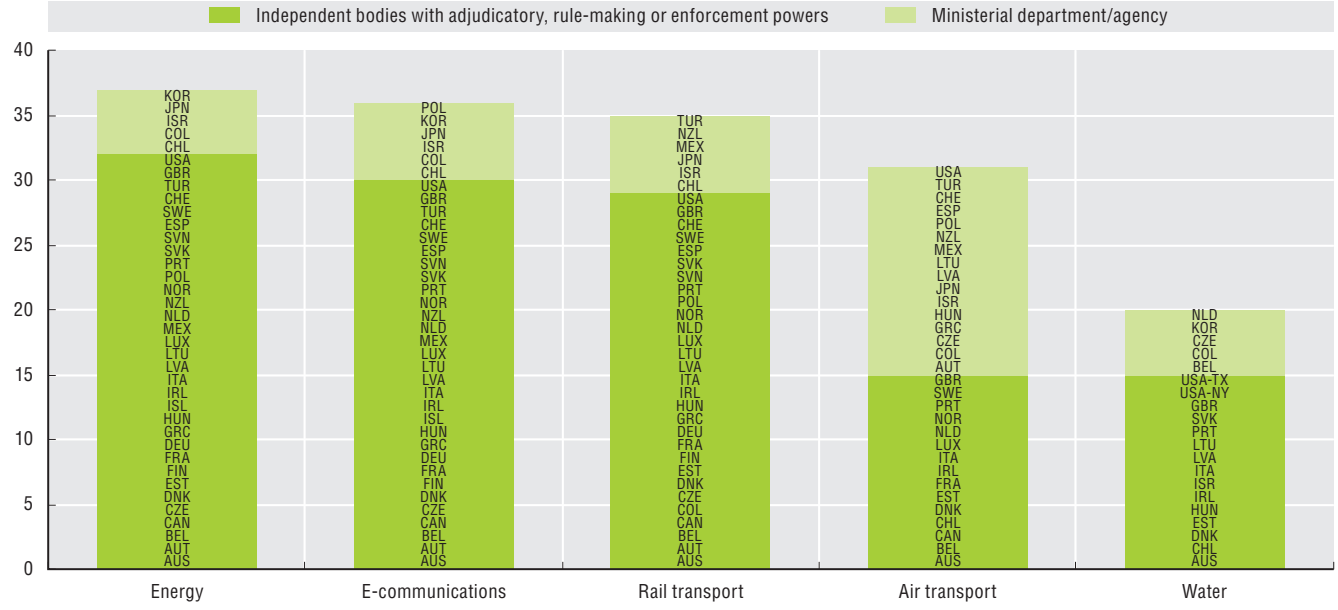
Closer to good practice — Further from good practice

Source: OECD (2018), *Indicators on the Governance of Sector Regulators* (database).

StatLink https://doi.org/10.1787/888934258268

7.9. Independent and ministerial regulators by sector, 2018

Status of regulators in OECD countries, by sector



Source: OECD (2018), *Indicators on the Governance of Sector Regulators* (database).

StatLink https://doi.org/10.1787/888934258287

Accountability arrangements of economic regulators

Ensuring that regulators are accountable for their actions can strengthen their performance and increase transparency. Many economic regulators in OECD countries are independent bodies with a strong degree of autonomy in decision making, and they hold significant powers to regulate key network sectors. Their independence supports public trust in the objectivity and impartiality of their decision making which can, in turn, strengthen the confidence of market actors to make necessary investments in the sector. However, as independent regulators are neither elected nor directly managed by elected officials, there should be a balance between independence and measures that facilitate accountability (OECD, 2014). Governments, businesses and society at large expect regulators to drive sector performance and make efficient use of their resources, without imposing unnecessary regulatory burdens. Robust accountability arrangements can help assess and demonstrate how well economic regulators are delivering this mandate. By showing greater levels of accountability and transparency, regulators can demonstrate their integrity, efficiency and effectiveness.

The 2018 OECD Indicators on the Governance of Sector Regulators map the governance arrangements of regulators across the energy, e-communications, rail transport, air transport and water sectors. On average, energy and e-communications regulators in OECD countries have the strongest accountability arrangements, while those in the transport sectors (air and rail) report the fewest arrangements in line with good practice (Table 7.10). Accountability arrangements are closer to good practice when regulators are directly accountable by law to parliament or congress, consult on their decisions with stakeholders and publish information on the performance of their organisation and the sector (Casullo et al., 2019). In some cases, these accountability mechanisms are a result of a legislative requirement for the regulator, such as the requirement to publish draft decisions and collect feedback. In other cases, regulators proactively enhance their accountability by publishing information without a legislative requirement (Figure 7.11).

The data also confirm that, in practice, independence and accountability are two sides of the same coin. Online Figure G.30. provides an overview of the independence and accountability scores of individual regulators across the energy, e-communications, transport and water sectors in OECD countries. The chart shows a statistically significant correlation between the two (with a Spearman's correlation coefficient of 0.6), meaning that accountability scores tend to be closer to good practice for regulators that are more independent. This correlation is particularly strong for energy and e-communications regulators.

Methodology and definitions

The OECD Indicators on the Governance of Sector Regulators form part of the work programme of the OECD Network of Economic Regulators and measure the governance of economic regulators in the energy, e-communications, rail transport, air transport and water sectors. The indicators cover regulators in all OECD countries and in many non-OECD countries. The Secretariat derives the indicators from a questionnaire, distributed alongside the OECD's Product Market Regulation survey. In general, respondents to the questionnaire were high-level officials in regulatory agencies and/or relevant ministries. The responses undergo a rigorous data verification and validation process by the OECD Secretariat, verifying their completeness, consistency and accuracy in consultation with the respondents. The indicators are calculated by averaging equally weighted questions and sub-questions, to avoid imposing judgements about the importance of elements within the composite indicators. They are mapped on a scale from 0 (most effective governance arrangements) to 6 (least effective governance arrangements), in line with the Product Market Regulation methodology. The process of developing the questionnaire, collecting the data, validating responses, and analysing the results benefitted from the extensive support of the OECD Network of Economic Regulators. For a complete description of the methodology, see Casullo et al. (2019).

The indicators are divided into three components: independence, accountability and scope of action. This two-pager analyses the accountability component with regard to various stakeholders, including government, parliament, regulated industry and the general public.

Further reading

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*.

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

Figure notes

7.10. The composite indicator is calculated as an average of component scores, ranging from 0 (the most effective) to 6 (the least effective) governance arrangements.

Grey cells denote no regulator in the dataset.

G.30. (Independence and accountability of regulators, 2018) is available online in Annex G.

The Spanish National Commission of Markets and Competition (CNMC, with indicator data in the energy, e-communications and rail transport sectors) is subject to approval of different Ministries concerning essential decisions to hire and retain its permanent staff and to design and expend its allotted budget. Budget restrictions apply in particular to human resources and the possibility to hire studies or special assistance services, like research or IT. Likewise, any modification of the organisation of the CNMC requires a legal act adopted by the Government.

7.10. Accountability indicator scores for OECD regulators by sector, 2018

Note: A higher score indicates that a regulator is further from good practice in the accountability component.

	Energy	E-communications	Rail transport	Air transport	Water
Australia	1.09	0.55	0.70	0.64	0.55
Austria	1.23	0.70	1.45	3.58	.
Belgium	1.64	0.00	4.26	4.26	4.29
Canada	2.18	3.55	2.30	2.88	.
Chile	3.51	2.96	3.84	1.29	1.82
Colombia	1.36	1.36	2.09	3.12	1.71
Czech Republic	1.30	0.34	1.96	3.52	3.49
Denmark	2.05	3.00	2.81	2.78	3.73
Estonia	1.64	.	2.18	2.10	2.18
Finland	1.82	1.36	3.27	.	.
France	1.00	0.57	1.31	3.56	.
Germany	1.25	0.70	0.55	.	.
Greece	0.00	0.65	2.56	4.38	.
Hungary	1.90	0.43	4.13	2.57	1.90
Iceland	1.35	2.00	.	.	.
Ireland	0.55	0.00	1.97	2.10	0.55
Israel	1.17	0.97	2.42	1.43	1.48
Italy	0.82	0.00	0.45	0.45	0.90
Japan	2.38	3.27	2.45	2.73	.
Korea	2.18	0.35	.	.	0.55
Latvia	0.55	0.55	2.04	2.86	0.55
Lithuania	0.58	1.09	1.09	2.81	0.58
Luxembourg	2.64	2.09	2.64	2.84	.
Mexico	1.13	0.00	2.74	2.92	.
Netherlands	1.71	1.90	1.64	1.79	1.64
New Zealand	1.64	1.71	1.40	1.17	.
Norway	2.18	2.45	2.25	2.88	.
Poland	2.75	1.94	2.56	1.25	.
Portugal	0.66	0.62	0.87	0.55	0.81
Slovak Republic	2.01	1.35	4.64	.	0.74
Slovenia	0.22	0.62	2.45	.	.
Spain	0.00	0.00	0.23	1.17	.
Sweden	2.53	3.00	2.31	2.13	.
Switzerland	2.55	1.77	1.51	2.34	.
Turkey	1.75	1.01	1.64	1.45	.
United Kingdom	0.82	1.44	0.31	2.18	2.96
United States	0.55	0.55	1.09	1.45	.
US - New York	.	.	.	.	0.73
US - Texas	.	.	.	.	3.22
OECD average	**1.48**	**1.25**	**2.06**	**2.30**	**1.69**

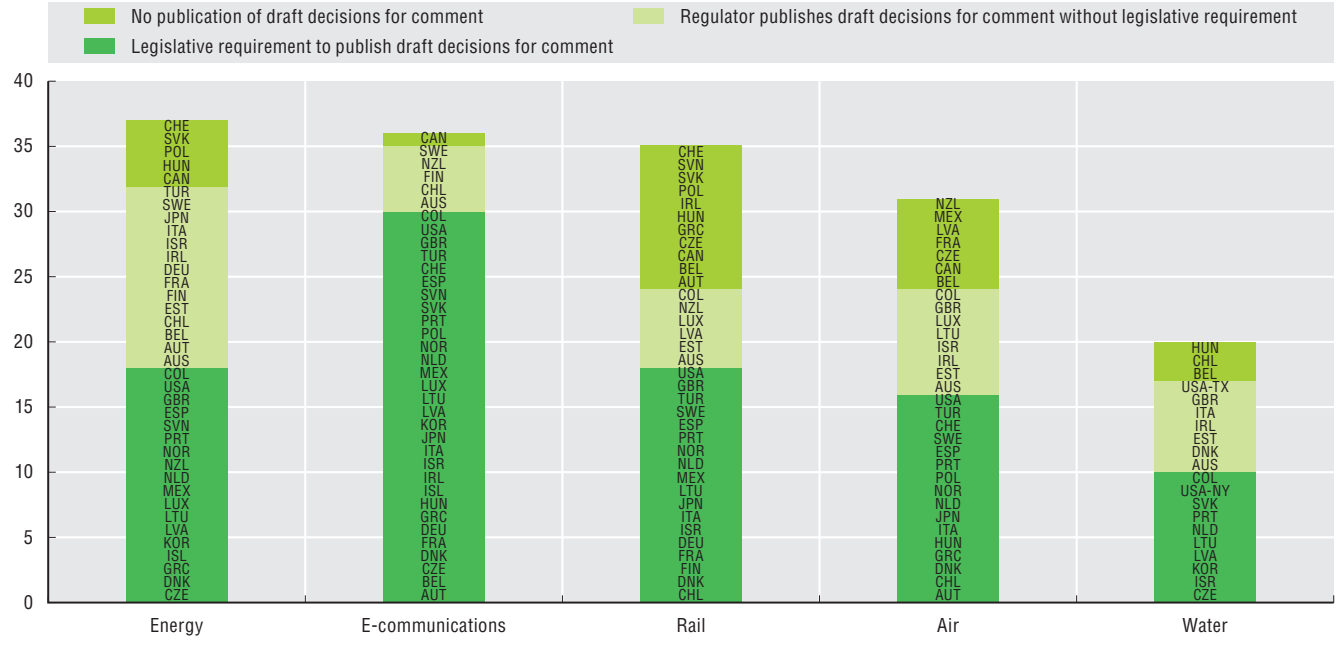
Legend

Closer to good practice — Further from good practice

Source: OECD (2018), *Indicators on the Governance of Sector Regulators* (database).

StatLink https://doi.org/10.1787/888934258306

7.11. Publication of draft decisions for comment by OECD regulators by sector, 2018



Source: OECD (2018), *Indicators on the Governance of Sector Regulators* (database).

StatLink https://doi.org/10.1787/888934258325

Assessing regulators' performance

Economic regulators play an important role in sectors that deliver essential services to citizens and the economy. Robust performance assessment helps regulators understand where to adjust their approach to improve outcomes. According to the OECD Best Practice Principles on the Governance of Regulators, a well-designed performance framework serves multiple goals: demonstrating the effectiveness of the regulator, building confidence in the regulatory system and driving improvements (OECD, 2014). Performance assessment is a critical ingredient for maintaining accountability and fostering transparency, and public bodies are often required to report on results and enable scrutiny of their performance. Data on the performance of both the regulator and the regulated sector are an important ingredient of economic regulators' performance assessment frameworks. The results can also be part of organisational learning, providing inputs into decision making.

Results from the 2018 OECD Indicators on the Governance of Sector Regulators show that energy, e-communications, rail transport, air transport and water sector regulators in OECD countries could strengthen their reporting in some categories of information about their own performance, in order to produce a more holistic view of performance and to enhance accountability. For example, some regulators collect (78%) and publish (57%) performance information about the quality of the regulatory process (Table 7.12). This type of organisational performance information should be complemented by outward-looking performance information assessing the performance of the sector and final outcomes for customers. Many regulators do not collect or publish information in the other categories relevant to organisational performance and efficiency: compliance with legal obligations, organisational governance, and the operational service delivery of the regulator (Online Figure G.31). The most commonly collected and reported information across sectors and countries is on the performance of the regulated sector and the financial performance of the regulator.

Methodology and definitions

The OECD Indicators on the Governance of Sector Regulators form part of the work programme of the OECD Network of Economic Regulators and measure the governance of economic regulators in the energy, e-communications, rail transport, air transport and water sectors. The indicators cover regulators in all OECD countries and in many non-OECD countries. The Secretariat derives the indicators from a questionnaire, distributed alongside the OECD's Product Market Regulation survey. In general, respondents to the questionnaire were high-level officials in regulatory agencies and/or relevant ministries. The responses undergo a rigorous data verification and validation process by the OECD Secretariat, verifying their completeness, consistency and accuracy in consultation with the respondents. The indicators are calculated by averaging equally weighted questions and sub-questions, to avoid imposing judgements about the importance of elements within the composite indicators. They are mapped on a scale from 0 (most effective governance arrangements) to 6 (least effective governance arrangements), in line with the Product Market Regulation methodology. The process of developing the questionnaire, collecting the data, validating responses, and analysing the results benefitted from the extensive support of the OECD Network of Economic Regulators. For a complete description of the methodology, see Casullo et al. (2019).

The indicators are divided into three components: independence, accountability and scope of action. The questions on performance fall within the accountability component, which covers the accountability of the regulator with regard to various stakeholders, including government, parliament, regulated industry and the general public.

Compliance with legal obligations refers to information on the regulator's compliance with legal requirements, such as the fulfilment of information obligations or the proportion of decisions taken that are upheld.

Quality of the regulatory process refers to information on the performance of tools and processes used in decision making, such as impact assessment, stakeholder engagement and *ex post* evaluation.

Organisational/corporate governance performance refers to information on the internal functioning of the regulator, such as the timeliness of completion of planned activities, staff survey results and leadership performance information.

Operational service delivery refers to information on the delivery of the functions and responsibilities of the regulator, such as the number of inspections or provision of licences.

Further reading

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*.

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

Figure notes

G.31. (Types of performance information collected and published by regulators, 2018) is available online in Annex G.

7.12. Collection and publication of information on the quality of regulatory process, 2018

Respondents indicating that they (a) collect and (b) publish information about the quality of the regulatory process, by country and sector.

	Energy		E-communications		Rail transport		Air transport		Water	
	Collect	Publish	Collect	Publish	Collect	Publish	Collect	Publish	Collect	Publish
Australia	●	●	●	●	●	●	●	●	●	●
Austria	●	●	●	○	●	●	●	○	-	-
Belgium	●	●	●	●	●	○	●	○	●	○
Canada	●	●	●	●	●	●	●	●	-	-
Chile	●	○	○	○	○	○	●	○	●	●
Colombia	●	○	●	●	●	○	○	○	●	●
Czech Republic	●	○	○	○	○	○	●	○	○	○
Denmark	○	○	○	○	○	○	●	○	●	○
Estonia	●	●	-	-	●	●	○	○	●	●
Finland	●	●	●	●	●	○	-	-	-	-
France	●	●	○	○	○	○	○	○	-	-
Germany	●	●	○	○	○	○	-	-	-	-
Greece	●	●	○	○	○	○	○	○	-	-
Hungary	●	●	○	○	○	○	●	○	●	●
Iceland	●	●	○	○	-	-	-	-	-	-
Ireland	●	●	●	●	●	●	●	○	●	●
Israel	●	●	●	●	●	●	●	○	●	●
Italy	●	●	●	●	●	●	●	●	●	●
Japan	●	○	○	○	●	○	○	○	-	-
Korea	●	●	●	●	-	-	-	-	●	●
Latvia	●	●	●	●	○	○	●	○	●	●
Lithuania	●	●	●	●	●	●	●	●	●	●
Luxembourg	●	●	●	●	●	●	●	●	-	-
Mexico	●	●	●	●	●	○	●	○	-	-
Netherlands	●	●	●	●	●	●	●	●	●	●
New Zealand	●	●	○	○	●	●	●	●	-	-
Norway	●	●	●	●	●	●	●	●	-	-
Poland	○	○	●	○	●	○	●	○	-	-
Portugal	○	○	○	○	●	○	●	●	●	○
Slovak Republic	○	○	●	○	○	○	-	-	○	○
Slovenia	●	●	●	○	●	●	-	-	-	-
Spain	●	●	●	●	○	○	●	●	-	-
Sweden	●	●	●	●	●	●	●	●	-	-
Switzerland	●	●	○	○	●	○	●	○	-	-
Turkey	●	○	○	●	●	○	●	●	-	-
United Kingdom	●	●	●	●	●	○	●	●	●	○
United States	●	●	●	●	●	●	●	●	-	-
US - New York	-	-	-	-	-	-	-	-	●	●
US - Texas	-	-	-	-	-	-	-	-	○	○
OECD Total										
● Yes	33	28	23	20	25	15	26	14	17	13
○ No	4	9	13	16	10	20	5	17	3	7
- not applicable	2	2	3	3	4	4	8	8	19	19

Source: OECD (2018), *Indicators on the Governance of Sector Regulators* (database).

StatLink https://doi.org/10.1787/888934258344

8. PUBLIC PROCUREMENT

Size of public procurement

Strategic public procurement for delivering social value

E-procurement and integration with public financial management

Managing emergency procurement and risks

Professionalisation of public procurement

Size of public procurement

Governments procure large amounts of goods and services to help them implement policies and deliver public services. As has been demonstrated during the COVID-19 crisis, 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 percentage of GDP increased slightly across the OECD over the last decade, from 11.8% of GDP in 2008 to 12.6% of GDP in 2019. The COVID-19 pandemic led to a spike in public procurement relative to GDP in 2020. Among 22 OECD-EU countries for which data is available, public procurement increased from 13.7% of GDP in 2019 to 14.9% of GDP in 2020. Other countries also saw significant increases such as Norway (from 15.8% to 17.1%) and the United Kingdom (13.2% to 16.1%) (Figure 8.1). These increases are due both to governments purchasing goods and services to support their COVID-19 responses, and to GDP falling as a result of the crisis.

Public procurement as a share of total government expenditure decreased across all responding OECD countries by 1-2 percentage points in 2020 compared to 2019. This is because non-procurement government expenditure grew faster than procurement expenditure. Support packages provided by governments in response to the pandemic have drastically increased total government expenditure (53.6% of GDP in OECD-EU countries on average in 2020). The distribution between central and sub-national governments' overall public procurement spending remains broadly unchanged with 64% of OECD-EU countries' procurement spending taking place at the sub-national level (Online Figure G.33).

Public procurement is used across all government spending functions, from health to environmental protection, public order and economic affairs (comprising infrastructure, transport, communication, energy, and research and development). Health expenditure represented the largest share of public procurement spending, averaging 29.3% across OECD countries in 2019. In Italy, Japan and the Slovak Republic, almost 45% of public expenditure for procurement was in the health sector (Table 8.2). Notable exceptions to this include Lithuania and the United States, where economic affairs represented the largest share of government spending, and Switzerland, where general public services and social protection formed the largest share. The next largest areas of public procurement spending across OECD countries were economic affairs (16.7%), education (11.6%), defence (10.5%) and social protection (10.0%) with relatively little variability among countries (Online Figure G.32).

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 8.2. Further information about the types of expenditure included in each category is available in Annex C.

Further reading

OECD (2015), *Recommendation of the Council on Public Procurement*, OECD, Paris, OECD/LEGAL/0411.

OECD (2019), *Productivity in Public Procurement: A Case Study of Finland: Measuring the Efficiency and Effectiveness of Public Procurement*, OECD, Paris, *www.oecd.org/gov/public-procurement/publications/productivity-public-procurement.pdf*.

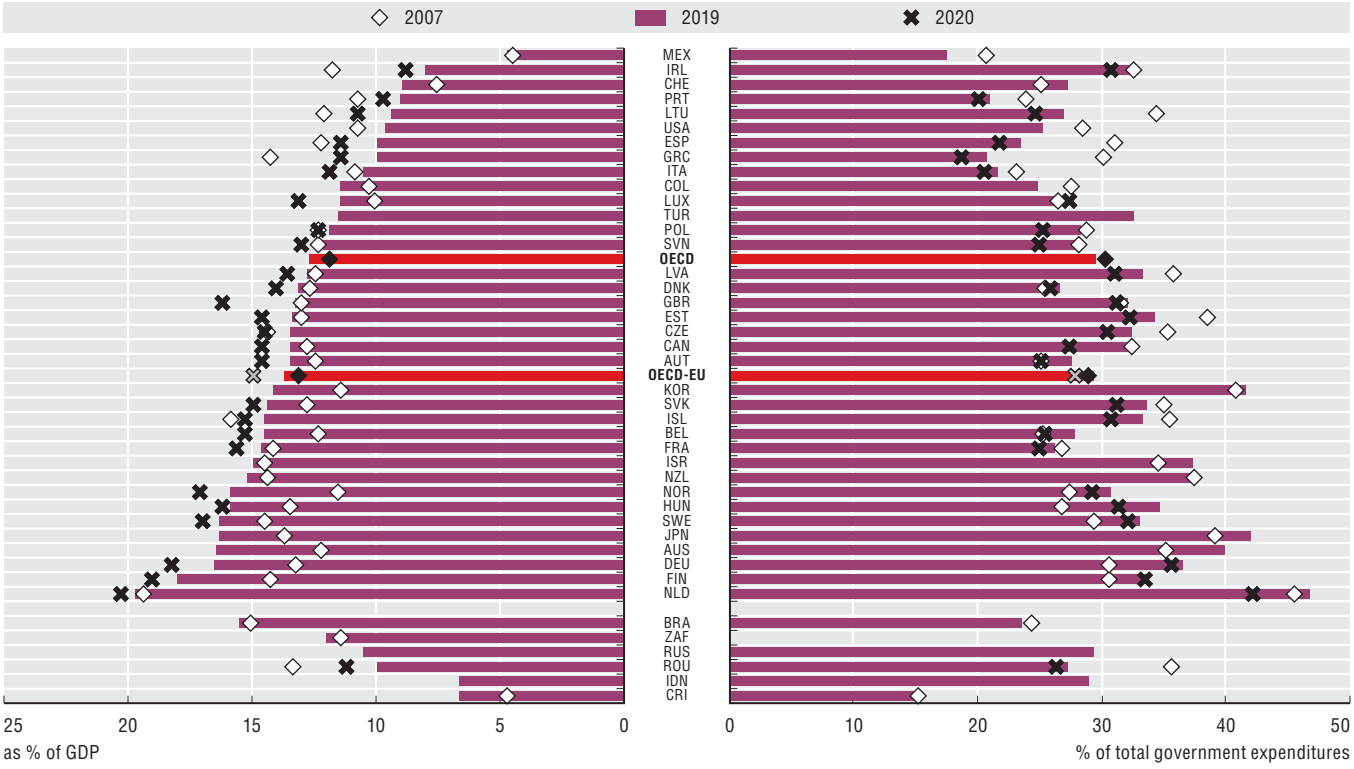
Figure notes

Figure 8.1. Data for Chile are not available. Data for Turkey are not included in the OECD average because of missing time series. A large share of general government procurement in the Netherlands is spent on social transfers in kind via market producers (via scholastic grants and mandatory health insurance systems). Data for Japan and Brazil and Russia are for 2018 rather than 2019.

Table 8.2. Data for Australia, Canada, Colombia, Mexico, New Zealand and Turkey are not available. Data for Chile are not included in the OECD average due to missing time series. Data for Chile includes changes in inventories and acquisitions less disposals of valuables. Data for Chile, Japan and Korea are for 2018 rather than 2019.

G.32. (Change in the structure of general government procurement spending by function, 2012 to 2019) and G.33. (General government procurement spending by level of government, 2007, 2019 and 2020) are available online in Annex G.

8.1. General government procurement spending as a percentage of GDP and total government expenditures, 2007, 2019 and 2020



Source: *OECD National Accounts Statistics* (database). Data for Australia are based on a combination of Government Finance Statistics and National Accounts data provided by the Australian Bureau of Statistics.

StatLink https://doi.org/10.1787/888934258363

8.2. General government procurement spending by function as a percentage of total procurement spending, 2019

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	11.8	1.6	3.0	21.4	1.3	0.7	36.3	3.9	9.1	10.9
Belgium	12.7	1.5	2.0	13.1	2.8	1.1	46.7	3.1	6.7	10.3
Chile	4.8	7.9	8.0	13.5	1.3	6.3	25.3	2.1	20.5	10.3
Czech Republic	8.6	2.5	4.1	22.3	5.0	3.4	32.5	5.4	11.5	4.7
Denmark	15.0	5.0	2.8	10.4	1.3	0.7	32.0	5.2	12.0	15.8
Estonia	9.5	10.7	3.9	18.1	3.7	2.4	24.8	6.8	15.7	4.4
Finland	22.6	3.8	2.3	12.8	0.5	1.1	23.0	4.1	11.8	18.0
France	7.3	6.2	2.5	13.0	4.2	3.5	38.1	4.8	6.5	13.8
Germany	11.2	4.0	3.2	9.2	2.1	1.1	39.6	3.4	6.7	19.4
Greece	18.0	4.4	1.6	15.3	5.1	1.7	38.6	3.3	7.7	4.1
Hungary	18.2	3.9	3.9	29.5	2.4	2.2	18.3	8.7	8.7	4.1
Iceland	7.5	0.4	3.8	20.3	2.4	2.4	25.7	8.7	19.0	9.8
Ireland	5.5	0.9	4.6	15.3	2.7	5.6	31.1	3.9	9.2	21.2
Israel	6.6	21.0	3.4	5.9	2.5	2.4	27.5	5.2	15.1	10.3
Italy	13.4	3.6	3.5	12.3	6.9	3.3	42.3	4.1	5.1	5.6
Japan	6.5	3.3	1.9	14.4	5.7	2.1	44.4	1.6	6.3	13.9
Korea	5.7	11.6	2.8	15.6	3.9	6.1	32.2	2.8	12.5	6.8
Latvia	7.9	7.1	4.4	19.9	3.6	4.0	28.4	5.5	12.3	6.7
Lithuania	7.6	11.1	5.4	23.2	2.8	6.0	14.7	6.0	17.1	6.2
Luxembourg	15.1	1.3	3.1	21.4	4.4	2.2	21.6	5.9	7.9	17.1
Netherlands	6.2	3.2	3.5	11.4	4.8	1.5	35.9	3.2	8.4	21.8
Norway	10.0	7.9	3.0	22.9	4.0	3.9	24.4	4.9	9.9	9.2
Poland	6.2	6.0	4.3	27.0	3.0	4.0	28.8	5.9	11.3	3.6
Portugal	12.8	2.7	3.3	21.1	3.9	3.3	35.3	4.7	9.3	3.6
Slovak Republic	8.8	3.6	4.3	21.1	3.7	2.5	43.6	3.4	6.8	2.1
Slovenia	10.2	2.7	3.4	22.7	2.9	2.9	31.5	5.1	13.3	5.4
Spain	10.8	3.2	2.8	14.8	6.8	3.0	32.4	6.1	10.9	9.3
Sweden	18.7	4.5	2.9	13.6	2.1	2.9	21.7	3.7	16.1	13.7
Switzerland	21.8	6.0	5.7	15.6	4.0	1.4	1.9	3.1	18.8	21.6
United Kingdom	3.7	10.3	6.0	14.3	3.8	3.4	32.1	2.8	10.0	13.6
United States	10.4	21.7	6.1	22.3	0.0	2.4	13.6	1.7	18.5	3.2
OECD	9.4	10.5	4.1	16.7	2.8	2.6	29.3	3.0	11.6	10.0
OECD-EU	10.7	4.2	3.2	13.8	3.7	2.4	36.4	4.3	8.1	13.4
Costa Rica	4.7	0.0	7.7	13.5	3.7	4.5	35.4	1.8	21.2	7.6
Romania	8.7	3.6	2.8	29.7	4.5	8.6	26.9	5.2	6.6	3.6

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

StatLink https://doi.org/10.1787/888934258382

Strategic public procurement for delivering social value

Used strategically, public procurement can contribute to the 2030 Agenda for Sustainable Development by supporting a more resource-efficient economy, stimulating innovation, supporting small and medium-sized enterprises (SMEs) and promoting social values. In recent years, citizens' expectations have risen, with calls for greater accountability in government purchasing decisions, increasing the need to consider broader outcomes and multi-dimensional risks, including in global supply chains. As large buyers, governments have the power to set standards that can shift markets towards more responsible business conduct (RBC) and levelling the playing field for suppliers who strive to implement RBC standards.

Among 27 countries surveyed (26 OECD countries and 1 partner, Brazil), all use enhanced public procurement frameworks to promote at least one of the RBC objectives covered, whether by regulation or strategy, but only a few address all of them. All countries have a framework to support environmental objectives in public procurement, 70% have a framework for human rights, 41% have a framework for gender considerations and 48% for minority issues (Figure 8.3). For example, Chile introduced a programme to promote the participation of companies led by women in the public procurement market, and in Iceland and Switzerland suppliers must have equal pay between men and women to participate in tenders. In Canada, the Policy on Ethical Procurement of Apparel requires suppliers of apparel to the government to certify that they and their first-tier subcontractors comply with local laws and international standards on labour and human rights.

RBC frameworks do not systematically apply to the full supply chain. Only 40% of countries apply integrity considerations to the entire supply chain, 10% do so for objectives related to taking on the long-term unemployed, and 8% for gender considerations (Figure 8.4). Sweden's legislation on labour law requirements is currently integrating objectives related to human rights and labour rights along the full supply chain, and modern slavery acts in Australia and the United Kindgom address modern slavery and human trafficking in the supply chains of public sector suppliers.

When it comes to sanctions, 15 out of 25 OECD countries (60%) foresee actions against suppliers infringing RBC standards in their supply chains, while 10 countries (40%) require a change in suppliers in the event of violations (see Online Table G.34). Canada has certification frameworks in place to identify breaches of human and labour rights in supply chains. Maintaining this certification is an obligation of the main contractor. In New Zealand, the regulatory framework does not mandate sanctions, but procuring entities have the discretion to apply appropriate sanctions.

Countries are inconsistent in how they monitor and follow up RBC objectives. Only environmental considerations are monitored routinely, with 88% of countries monitoring them at least partly. In contrast, considerations on the inclusion of minorities are only monitored by 32% of countries (see Online Figure G.35).

Methodology and definitions

Data were collected through the 2020 OECD Survey on Leveraging Responsible Business Conduct through Public Procurement, which sought to better understand the incorporation of RBC objectives into public procurement procedures. Twenty-six OECD countries and one OECD partner (Brazil) responded to the survey. Respondents were country delegates responsible for procurement policies at the central government level.

Responsible business conduct (RBC) acknowledges and encourages the positive contributions that business can make to economic, environmental and social progress. It also recognises that business activities through global supply chains can result in adverse impacts on people, society and the environment. The survey covered the following RBC objectives: environment, human rights, labour rights, minority considerations, people with disabilities, long-term unemployed people, gender considerations and integrity.

In this section, a regulatory framework is defined as a system of rules such as laws, decrees, cabinet directions or any other legal documents that govern and regulate specific policies. A strategic framework is defined as a high-level document approved by national authorities, such as parliament and government that sets out a country's policy goals and ambitions for a specific sector or area of public policy such as health care or the environment. Strategic frameworks can also include targets, roadmaps and action plans.

Further reading

OECD (2020), *Integrating Responsible Business Conduct in Public Procurement*, OECD Publishing, Paris, *https://doi.org/10.1787/02682b01-en*.

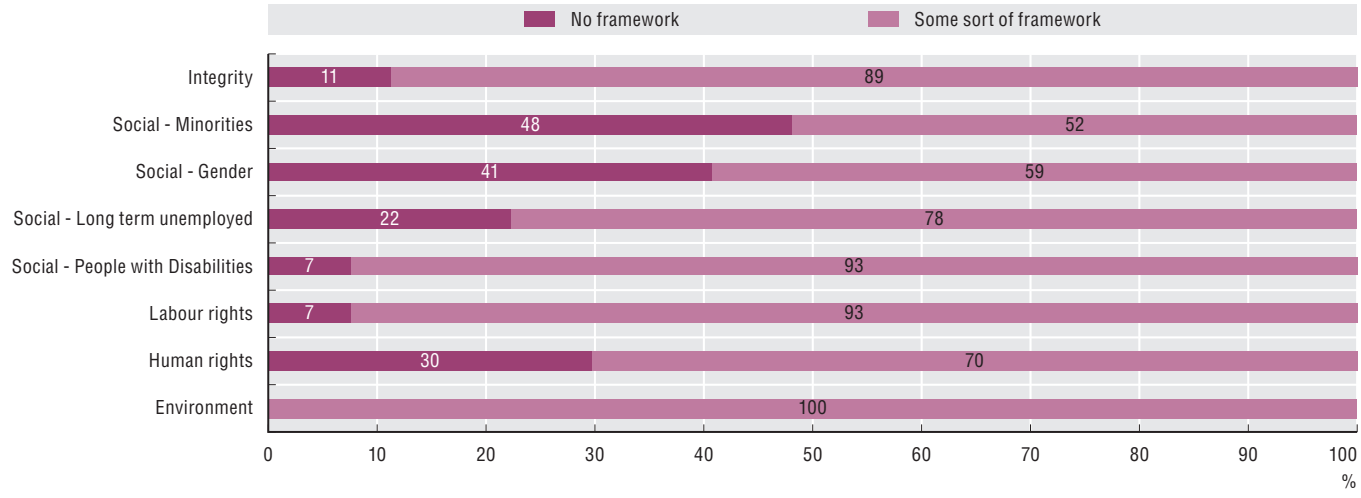
Figure notes

Data for Austria, Chile, Greece, Iceland, Ireland, Luxembourg, Portugal, Turkey, the United Kingdom and the United States are not available.

8.4. "No, voluntary" represents the percentage of countries that have a framework in place, but where application of the framework to the supply chain is voluntary, i.e. for discretionary decisions.

G.34 (Countries with provisions for action against infringements of RBC standards, 2020) and G.35 (Percentage of countries that monitor implementation of RBC objectives in public procurement, 2020) are available online in Annex G.

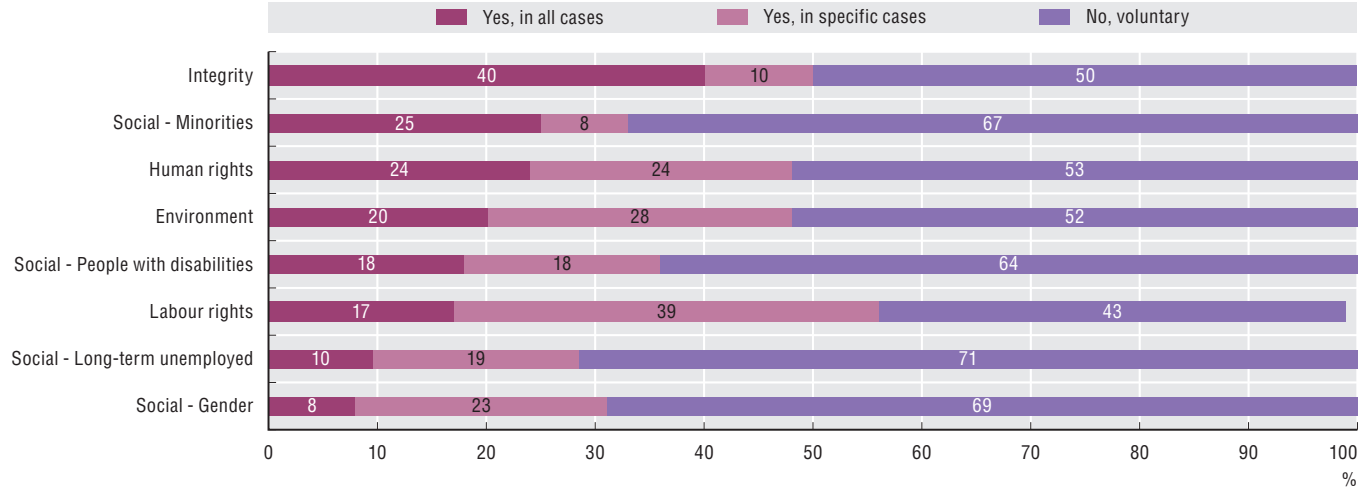
8.3. Share of countries that have any type of framework to support RBC objectives 2020



Source: OECD (2020), *Survey on Leveraging Responsible Business Conduct through Public Procurement*.

StatLink https://doi.org/10.1787/888934258401

8.4. Share of countries applying regulatory or strategic frameworks in the supply chain, 2020



Source: OECD (2020), *Survey on Leveraging Responsible Business Conduct through Public Procurement*.

StatLink https://doi.org/10.1787/888934258420

E-procurement and integration with public financial management

Public procurement plays a critical role in the public financial management cycle, notably during budget execution. Linking public procurement procedures with other public financial management systems is considered an essential part of ensuring efficient and sound public financial management, as well as helping to flag up potential cost overruns, spending and demand trends, and possible improprieties.

Countries are harnessing digital technologies to achieve better outcomes and deliver public services more effectively and efficiently. By progressively digitalising their operations, public administrations can support seamless interactions with their citizens and businesses. E-procurement systems can significantly enhance visibility about how public money is spent, help fight corruption and increase the efficiency of public procurement. They save money and time by reducing administrative burdens and potential mistakes that might arise during public procurement cycles.

Recognising these benefits, countries have digitalised their public procurement processes and expanded their IT tools to cover more of procurement cycle. In 2018, the OECD survey found that all 32 OECD countries that responded used their central e-procurement system, or that of specific procuring entities, to announce tenders, provide tender documents and notify contract awards. Transactional functionalities were less developed: 31 out of 32 (97%) of the countries used electronic bid submission, but just 20 (63%) used electronic submission of invoices (OECD, 2019a).

More advanced e-procurement functionalities are also being developed: 26 out of 33 countries (32 OECD countries plus Costa Rica, or 82%), publish procurement plans to communicate government needs, 20 (61%) have introduced *ex post* contract management; 21 (64%) use supplier registries, 23 (70%) framework agreement modules and 13 (39%) business intelligence functionalities (Table 8.5). For instance, Israel provides a contract management function that allows internal government users to create a variety of procurement reports, and in Lithuania, information on concluded contracts is transferred from the national e-procurement system to the e-invoicing systems, which helps to track the implementation of specific contracts. In some countries, like Canada and Colombia, business intelligence modules are provided in a separate IT system.

The survey data also suggest that many OECD countries have integrated their public procurement systems with their public financial management system, with 26 out of 30 (87%) OECD countries (plus Costa Rica) planning public procurement in line with budget planning (Figure 8.6). In 25 OECD countries (83%) and Costa Rica public entities are required to certify budget availability before starting public procurement (Figure 8.7).

Methodology and definitions

Data were collected through the 2018 OECD Survey on the Implementation of the 2015 OECD Recommendation on Public Procurement. The survey focused on each of the 12 principles in the recommendation. It was the first OECD public procurement survey to cover issues such as performance management, procurement workforce capacity and integrity in public procurement. Thirty-two OECD countries and one accession country (Costa Rica) responded. Respondents were country delegates responsible for procurement policies at the central government level and senior officials in central purchasing bodies.

E-procurement refers to the integration of digital technologies to replace or redesign paper-based procedures throughout the procurement cycle. The public procurement cycle refers to the sequence of procurement activities from needs assessment, competition and award, to payment and contract management, as well as any subsequent monitoring or auditing.

Further reading

OECD (2019a), *Government at a Glance 2019*, OECD Publishing, Paris, *https://doi.org/10.1787/8ccf5c38-en*.

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

OECD (2018), *Mexico's e-Procurement System: Redesigning CompraNet through Stakeholder Engagement*, OECD Public Governance Reviews, OECD Publishing, Paris, *https://dx.doi.org/10.1787/9789264287426-en*.

Figure notes

Data for the Czech Republic, Luxembourg, Switzerland, the United Kingdom and the United States are not available.

8.5. Several respondents highlighted the legitimate need to protect trade secrets and proprietary information, particularly regarding contract texts. Germany responded that contracts generally contain sensitive information that neither contracting authorities nor suppliers are free to publish. In the Netherlands contract texts may be available in a redacted form (for instance omitting the precise value of the contract). Hungary and Ireland updated the information on e-procurement functionalities that they adopted at a certain level of government after 2018: electronic submission of invoices and business intelligence module (both Hungary and Ireland), framework agreement modules and *ex post* contract management (Hungary only). Poland has an e-invoicing system, but it is independent of e-procurement.

8.6 and 8.7. Data for Colombia, Italy and Sweden are not available.

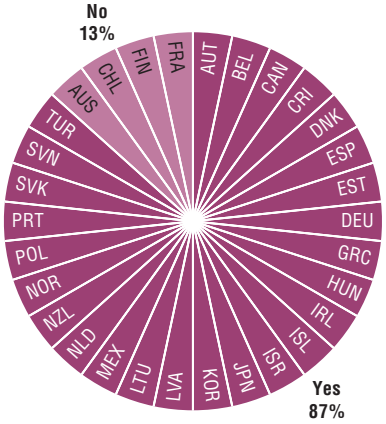
8.5. Provision of e-procurement functionalities, 2018

	Publishing procurement plans (about forecasted government needs)	Electronic submission of bids (excluding by email)	Electronic submission of invoices (excluding by email)	Ex post contract management	Supplier registry	Framework agreements module	Business intelligence module
Australia	●	●	○	○	●	●	○
Austria	♦	●♦	●	○	♦	♦	♦
Belgium	●	●	♦	♦	●	●	♦
Canada	○	♦	♦	○	♦	○	○
Chile	●	●	○	●	●	●	●
Colombia	●	●	●	●	●	●	○
Denmark	●♦	●♦	●♦	♦	♦	○	○
Estonia	♦	●	♦	●♦	●	●♦	●
Finland	♦	●	●	♦	○	●	○
France	●	●	●	○	○	○	●
Germany	♦	●♦	○	○	●♦	●♦	●♦
Greece	○	●	○	●	●	●	●
Hungary	●	●	○	○	●	○	○
Iceland	●	♦	●	♦	○	♦	○
Ireland	●	●	○	○	○	○	○
Israel	○	○	●	●	○	○	●
Italy	●♦	●♦	●♦	♦	●♦	●♦	●♦
Japan	●♦	●♦	●♦	●♦	●♦	○	○
Korea	●	●	●	●	●	●	●
Latvia	●	●	●	●♦	○	●	○
Lithuania	●	●	♦	●	●	♦	○
Mexico	●	●	○	○	●	●	●
Netherlands	●	●	○	○	○	●	○
New Zealand	●	●	♦	○	○	○	○
Norway	●	♦	♦	♦	○	♦	○
Poland	●♦	●♦	○	○	○	○	○
Portugal	●	●	○	○	○	♦	○
Slovak Republic	○	●	○	●	●	●	○
Slovenia	○	●	●	○	○	○	○
Spain	●	●	●	●	●	●	○
Sweden	○	♦	♦	♦	♦	♦	♦
Turkey	●	●	○	●	●	●	●
OECD Total							
● Provided in a central e-procurement system	18	21	10	9	13	13	8
●♦ Provided by both a central e-procurement system and that of specific procuring entities	4	6	3	3	3	3	2
♦ Provided in specific procuring entities' e-procurement systems	4	4	7	7	4	6	3
○ Not provided	6	1	12	13	12	10	19
Costa Rica	●	●	●	●	●	●	○

Source: OECD (2018), *Survey on the Implementation of the 2015 OECD Recommendations on Public Procurement*.

StatLink https://doi.org/10.1787/888934258439

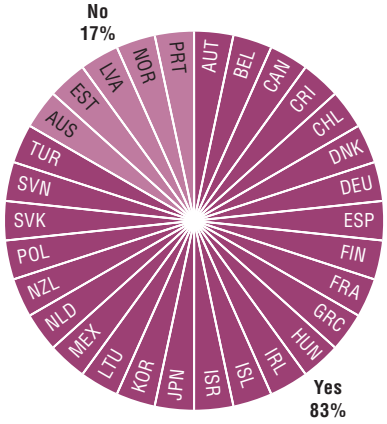
8.6. Integration of procurement planning with budget planning, 2018



Source: OECD (2018), *Survey on the Implementation of the 2015 OECD Recommendations on Public Procurement*.

StatLink https://doi.org/10.1787/888934258458

8.7. Mechanism to ensure budget availability before starting procurement procedures, 2018



Source: OECD (2018), *Survey on the Implementation of the 2015 OECD Recommendations on Public Procurement*.

StatLink https://doi.org/10.1787/888934258477

Managing emergency procurement and risks

The COVID-19 pandemic brought to the fore a generalised use of emergency procurement for essential goods and services, highlighting the importance of identifying and managing risks in public procurement systems and processes. The pandemic affected the way governments plan (at different levels), conduct procurement, and manage their ongoing contracts, not only for health products and services, but also for the goods, services and infrastructure needed to provide essential public services. Prior to the pandemic, only a few countries, such as Finland, already had a public procurement strategy in place as part of crisis preparedness, for instance through stockpiling. Most countries have been forced to rethink their risk management strategies and put measures in place that can be activated in the event of a shock.

The majority of governments relied on their existing procurement frameworks with standard exceptions for urgency and emergencies. According to data collected by the OECD on public procurement, infrastructure governance and initial responses to the COVID-19 crisis from 29 OECD countries plus Costa Rica, 14 countries (46.7%) introduced temporary public procurement regulations (e.g. France), or developed additional COVID-19 legislation with specific public procurement provisions, as Slovenia did. However, 25 countries (86%) developed specific guidance to support public buyers conducting procurement during the crisis, from detailing emergency procedures to implementing changes in ongoing contracts or using specific payments terms, as done in Austria (Table 8.8).

Further, 19 out of 29 OECD countries (63.3%) have increased the co-ordination or centralisation of the procurement of essential goods, including not just health products but also IT equipment and services (Table 8.8). Belgium has set up a task force to monitor supplies and communicate orders. In Italy, Consip, the Italian central purchasing body, was given the mandate to centrally procure goods and services needed to respond to the crisis.

Since public contracts represent a significant source of revenue for suppliers of all sizes, 12 out of 29 OECD countries (41%), such as Spain, have put measures in place to support businesses such as extending deadlines for the completion of contracts or providing advance payments (Table 8.8).

The pandemic highlighted a number of procurement risks and associated mitigation measures, but even before the crisis there were efforts to take more of a risk-based approach to public procurement. Initially focusing on integrity threats, in recent years countries have paid increasing attention to other risks that could significantly affect the outcome and impact of public procurement, including operational, financial, reputational, social and environmental, and other contextual risks.

In fact, compared with data gathered in 2016, data from the 2018 OECD Survey on the Implementation of the 2015 OECD Recommendation on Public Procurement show an increasing number of respondents have developed a procurement risk management strategy. Despite this, 43% of respondents still do not have any tools to assess public procurement risks. Among the tools that have been implemented, 9 out of 29 OECD countries (31%) had developed risk databases, 7 (24%) had a risk assessment methodology, 5 (17%) have a risk register and 4 (14%) have risk assessment results (Figure 8.9). For instance, in New Zealand, mandated government agencies must follow guidance on assessing and managing risks, which foresees different obligations, including submitting information on management of high-risk contracts for critical services.

Methodology and definitions

Data were collected through the 2018 OECD Survey on the Implementation of the 2015 OECD Recommendation on Public Procurement. Thirty-one OECD countries and one accession country (Costa Rica) responded to the survey. Respondents were country delegates responsible for procurement policies at the central government level and senior officials in central purchasing bodies. Additional data were collected through research developed by the OECD on public procurement and infrastructure governance: initial responses to the coronavirus (COVID-19) crisis and validated by countries.

Further reading

OECD (2020a), "Stocktaking report on immediate public procurement and infrastructure responses to COVID-19", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD Publishing, Paris, *https://doi.org/10.1787/248d0646-en*.

OECD (2020b), "Public procurement and infrastructure governance: Initial policy responses to the coronavirus (Covid-19) crisis", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD Publishing, Paris, *https://doi.org/10.1787/c0ab0a96-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

8.8. Data for Canada, the Czech Republic, Denmark, Hungary, Israel, Mexico, Portugal and Turkey are not available.

8.9. Data for Colombia, the Czech Republic, Iceland, Luxembourg, the Netherlands, Switzerland, the United Kingdom and the United States are not available.

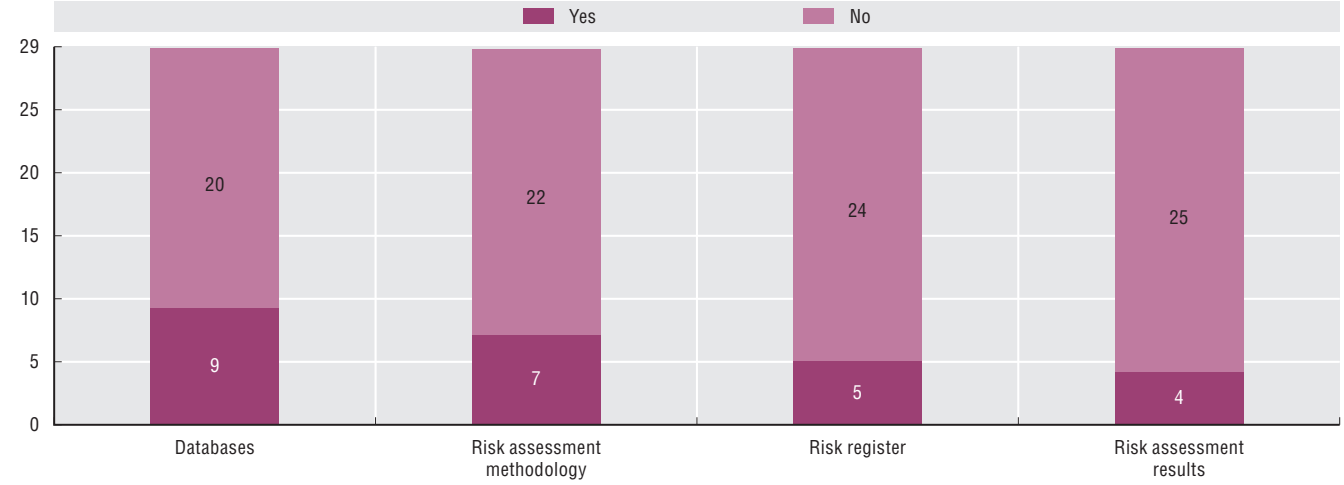
8.8. Public procurement measures implemented between March and June 2020 to respond to the COVID-19 outbreak, 2020

	Guidance	Centralisation	Supporting businesses	Changes in regulations
Australia	●	○	○	○
Austria	●	●	○	●
Belgium	●	●	●	○
Chile	●	○	○	○
Colombia	●	○	●	●
Estonia	●	●	○	○
Finland	○	●	○	○
France	○	●	●	●
Germany	●	●	○	○
Greece	●	○	○	●
Iceland	●	○	○	○
Ireland	●	●	●	○
Italy	●	●	●	●
Japan	●	○	○	●
Korea	●	●	●	●
Latvia	●	●	○	●
Lithuania	●	●	○	●
Luxembourg	○	●	○	●
Netherlands	●	○	○	○
New Zealand	●	●	●	○
Norway	●	○	○	○
Poland	●	●	●	●
Slovak Republic	●	●	○	●
Slovenia	●	●	●	●
Spain	○	●	●	○
Sweden	●	●	●	○
Switzerland	●	●	○	●
United Kingdom	●	○	●	○
United States	●	○	○	○
OECD Total				
● Yes	25	19	12	14
○ No	4	10	17	15
Costa Rica	●	○	○	○

Source: OECD (2020), "Stocktaking report on immediate public procurement and infrastructure responses to COVID-19".

StatLink https://doi.org/10.1787/888934258496

8.9. Number of countries with tools in place to assess public procurement risks, 2018



Source: OECD (2018), *Survey on the Implementation of the 2015 OECD Recommendations on Public Procurement*.

StatLink https://doi.org/10.1787/888934258515

Professionalisation of public procurement

Public procurement is becoming increasingly complex as more demands are placed on procurement professionals. These range from delivering goods, services and public works that underpin public services, to ensuring the resilience and productivity of processes, and implementing strategic policy goals. For some time, governments have used procurement as a strategic tool to deliver on several policy fronts, such as supporting the green transition, implementing the Sustainable Development Goals and, more broadly, inclusive growth. In recent years, policy makers have increasingly sought to tap its potential to advance public objectives. Expectations have evolved from achieving value for money to providing tangible benefits to citizens. The purchase of essential goods at the height of the COVID-19 crisis has illustrated the complexities and pressures faced by public buyers, and has demonstrated how procurement is vital to the functioning of fundamental public services, such as health and infrastructure. Public procurement will also be critical in the post-COVID era to support targeted public investment in infrastructure and include environmental and climate change considerations into recovery plans.

Emphasising capacity and professionalisation is one of the principles of the OECD Recommendation on Public Procurement, and the quality of outcomes is closely linked to the level of professionalisation of procurement practitioners. At a minimum, public buyers need legal, economic and market knowledge to fulfil their tasks but, increasingly, they need commercial, soft and other job-related skills to perform effectively. Countries are already strengthening their public procurement workforces. For instance, New Zealand developed several initiatives to empower procurement practitioners, starting with assessing organisational capacity through the Procurement Capability Index. Nevertheless, capacity gaps remain among public procurement staff across OECD countries (OECD, 2019a).

OECD countries are using several targeted measures to professionalise their public procurement. For instance, 14 out of 33 OECD countries surveyed in 2020 (42%) had introduced competency models, which define the critical skills necessary to accomplish a given procurement function, compared to 30% in 2018 (Table 8.10). ProcurCompEU, newly developed by the EU, is a procurement competency framework consisting of a suite of scalable tools available for countries to use. Other OECD countries define entry requirements to meet contracting authorities' needs. For instance, staff in Colombia require previous experience, or basic or specialised training, depending on the job profile. Mandatory training, as used in Korea, is another approach to ensuring suitable skills. Finally, certification frameworks to enhance procurement professionalisation are gaining traction in OECD countries: 6 out 29 countries (21%) used them in 2018, compared to 12 out of 33 (36%) in 2020 (Table 8.10). For example, Chile requires a certification process for procurement officials with four competency levels to encourage skills development.

OECD countries also increasingly recognise public procurement as a standalone profession: 13 out of 33 (39%) did so in 2020, compared to 33% in 2018 (OECD, 2019b and Figure 8.11). This allows countries to attract and retain qualified personnel on a dedicated career track, allowing them to grow professionally or be rewarded based on performance. For example, France has formally added the public procurement job family to its Inter-ministerial Directory of State Professions (*Répertoire Interministériel des Métiers de l'Etat*). Importantly, 27 out of 33 OECD countries (82%) rely on collaboration to improve the capacity of procurement entities (Figure 8.12) through specialised training institutions, joint research programmes and co-operation with universities, among others. Austria has developed a European Training Programme for central purchasing bodies in collaboration with Vienna University of Economics and Business.

Methodology and definitions

Data were collected through the 2018 OECD Survey on the Implementation of the 2015 OECD Recommendation on Public Procurement and the 2020 OECD Survey on Professionalisation. The 2020 survey was carried out to update the status of professionalisation as of the end of 2020, and focuses on measures to support capacity, the recognition of procurement as a profession as well as collaborative approaches in capacity building. Thirty-one OECD countries and Costa Rica responded to the 2018 survey and 33 OECD countries and Costa Rica responded to the 2020 survey. Respondents were country delegates responsible for procurement policies at the central government level and senior officials in central purchasing bodies.

Further reading

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

OECD (2019b), *Government at a Glance 2019*, OECD Publishing, Paris, *https://doi.org/10.1787/8ccf5c38-en*.

Figure notes

8.10. Data for Colombia, the Czech Republic, Ireland, Italy, Luxembourg, Switzerland, the United Kingdom and the United States are not available for 2018. Data for Canada, Iceland, Luxembourg and the United States are not available for 2020.

8.11 and 8.12. Data for Canada, Iceland, Luxembourg and the United States are not available.

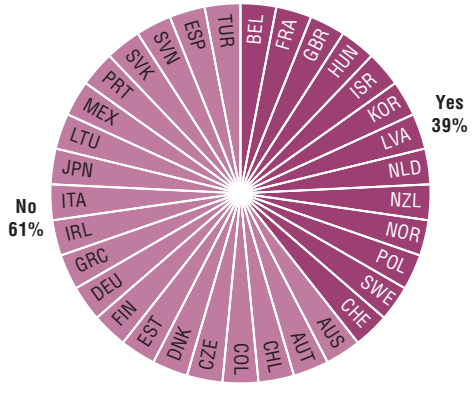
8.10. Measures to support public procurement capacity, 2018 and 2020

	Competency model		Entry requirement according to contracting authorities' needs		Obligatory training		Certification framework	
	2018	2020	2018	2020	2018	2020	2018	2020
Australia	○	○	○	○	○	○	○	○
Austria	○	●	●	●	○	○	○	●
Belgium	○	○	●	●	○	○	○	○
Canada	●	..	●	..	●	..	●	..
Chile	●	●	○	●	●	●	●	●
Colombia	..	●	..	●	..	●	..	○
Czech Republic	..	○	..	○	..	○	..	●
Denmark	○	○	○	○	○	○	○	○
Estonia	○	○	○	○	○	○	○	○
Finland	○	○	●	●	○	○	○	○
France	●	●	●	●	○	●	●	●
Germany	○	○	○	○	●	●	○	○
Greece	○	○	○	○	○	○	●	○
Hungary	○	○	○	○	●	●	○	○
Iceland	●	..	○	..	○	..	○	..
Ireland	..	○	..	○	..	○	..	●
Israel	○	●	●	●	●	●	○	●
Italy	..	○	..	○	..	○	..	○
Japan	●	●	●	●	●	●	○	○
Korea	○	○	○	○	●	●	○	○
Latvia	○	○	○	●	○	○	○	○
Lithuania	○	○	●	●	○	○	○	○
Mexico	○	○	○	○	○	○	○	○
Netherlands	●	●	○	○	○	○	○	○
New Zealand	●	●	●	●	●	●	●	●
Norway	○	○	○	○	○	○	●	●
Poland	○	○	●	●	○	○	○	○
Portugal	●	●	●	●	○	○	○	●
Slovak Republic	●	●	●	●	●	●	○	●
Slovenia	○	●	●	●	○	○	○	○
Spain	○	○	○	○	○	○	○	○
Sweden	○	○	○	○	○	○	○	○
Switzerland	..	●	..	●	..	●	..	●
Turkey	○	●	○	○	○	○	○	○
United Kingdom	..	●	..	●	..	●	..	●
OECD Total								
● Yes	9	14	13	17	9	12	6	12
○ Not	20	19	16	16	20	21	23	21
.. No information	6	2	6	2	6	2	6	2
Costa Rica	○	○	○	○	○	○	○	○
Indonesia	..	●	..	●	..	●	..	●

Source: OECD (2018), *Survey on the Implementation of the 2015 OECD Recommendations on Public Procurement*; OECD (2020), *Survey on the Professionalisation on Public Procurement*.

StatLink https://doi.org/10.1787/888934258534

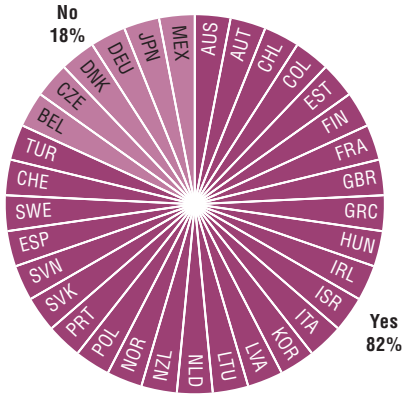
8.11. Public procurement recognised as a profession, 2020



Source: OECD (2020), Survey on the Professionalisation on Public Procurement.

StatLink https://doi.org/10.1787/888934258553

8.12. Collaborative approaches with knowledge centres to improve the capacity of public procurement entities, 2020



Source: OECD (2020), Survey on the Professionalisation on Public Procurement.

StatLink https://doi.org/10.1787/888934258572

9. OPEN GOVERNMENT

Efforts to promote open government literacy in the public administration

Citizen and stakeholder participation portals

Implementation of access to information laws

Efforts to promote open government literacy in the public administration

Open government is a culture of governance that promotes the principles of transparency, integrity, accountability and stakeholder participation in support of democracy and inclusive growth (OECD, 2017). Governance cultures involve both tangible and non-tangible aspects, including values, beliefs, norms of conduct and expectations, which are manifested in policies, services and public goods among others. Open government literacy – understood as the combination of awareness, knowledge and skills that public officials and stakeholders need to engage successfully in open government strategies and initiatives – is key to transforming a country's culture of governance.

Guidelines, toolboxes and other types of written guidance can help civil servants to follow open government principles when designing, implementing and/or evaluating public policies. In 2020, 29 out of 31 OECD countries (94%), and the 3 other economies (Brazil, Costa Rica and Romania) taking part in the Survey on Open Government had guidelines on open government data, and 25 OECD countries (81%) plus the 3 other economies had guidelines on citizen and stakeholder participation. Twenty OECD countries (65%) plus Brazil and Romania had guidelines on reactive disclosure of information, and 19 (62%) as well as Brazil and Romania on proactive disclosure. While only eight OECD countries (26%) and Brazil and Costa Rica had guidelines that explicitly focused on the concept of open government, the majority of the surveyed countries have other guidelines that cover specific principles and practices related to open government (Figure 9.1).

As a culture of governance, open government seeks to promote the inclusion and participation of all groups of society in policy-making. Some countries, such as Lithuania and the United Kingdom, have guidelines that raise awareness of the need to target specific groups and stakeholders when relevant. Some countries also have guidelines on fostering the participation of specific groups of the population: out of the 25 OECD countries with guidelines on participation, 11 (44%), and Brazil, focus on youth, another 8 (32%) and Brazil focus on people with disabilities. Respectively four OECD countries (16%) have guidelines focusing on LGBTIQ+ people, minority ethnic groups, elderly people, and women (Figure 9.2).

Training is another way of ensuring that civil servants embody open government principles. Twenty-six out of 32 OECD countries surveyed (81%) and 3 other economies (Brazil, Costa Rica and Romania) provide training on access to information, and 22 (69%) plus three other economies on open government data. Twenty of the OECD countries (63%) plus the 3 other economies have training on citizen and stakeholder participation. Nine OECD countries (28%), as well as Brazil and Costa Rica, have training on open government as an integrated concept (e.g. explaining what open government means) (Figure 9.3). Some countries do not have a centralised training catalogue, with each ministry and institution responsible for designing the training it offers its employees. These trainings would not be captured by these data.

Out of the nine OECD countries that have training on open government, eight (89%) offer them to civil servants at the central/federal level. In seven of them (78%), civil servants from sub-national levels of government can participate and in three (33%), the training is open to employees of the judicial and legislative branches of government (Online Figure G.36).

Methodology and definitions

Data were collected through the Survey on Open Government, which was conducted between November 2020 and March 2021. Thirty-two OECD countries and three other economies (Brazil, Costa Rica and Romania) participated. Respondents were the delegates to the OECD Working Party on Open Government, who co-ordinated the response across their respective governments.

Access to information refers to the ability of an individual to seek, receive, impart and use information effectively. In public administration, access to information refers to the existence of a robust system through which government information is made available to individuals and organisations. Proactive disclosure refers to the availability of relevant information without a prior public request. Reactive disclosure refers to the release of public information by a public body following a request by an individual.

Citizen and stakeholder participation refers to all the ways in which citizens and stakeholders can be involved in the policy cycle and in service design and delivery.

Open government data refers to government data that can be accessed and shared, free of charge, and used by anyone for any purpose.

Further reading

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

OECD (2016), *Open Government: The Global Context and the Way Forward*, OECD Publishing, Paris, *https://doi.org/10.1787/9789264268104-en*.

Figure notes

Data for France, Hungary, Luxembourg, Switzerland and the United States are not available.

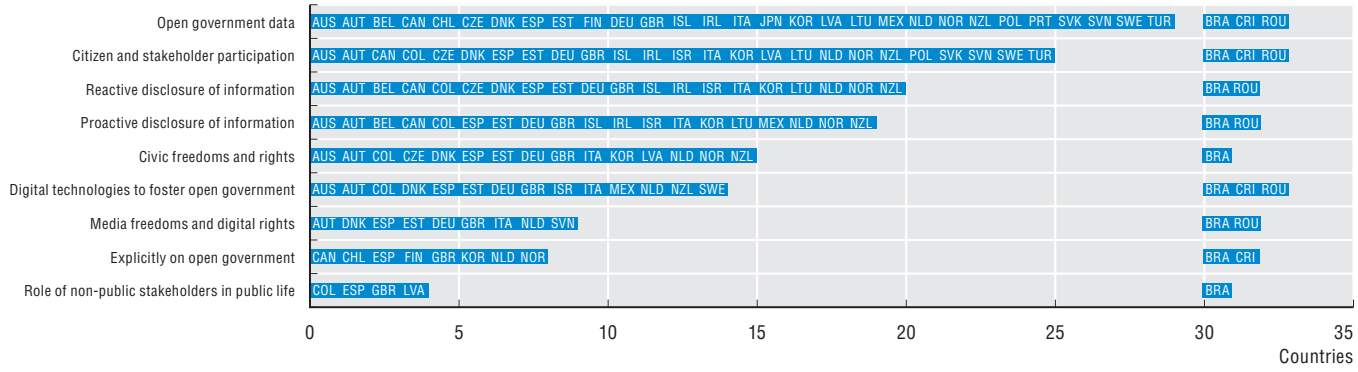
9.1. Data for Greece are not available.

9.2. Data only cover countries which reported having guidelines on citizen and stakeholder participation.

Figure G.36. (Categories of staff and institutions for which open government training is available, 2020) is available online in Annex G.

Efforts to promote open government literacy in the public administration

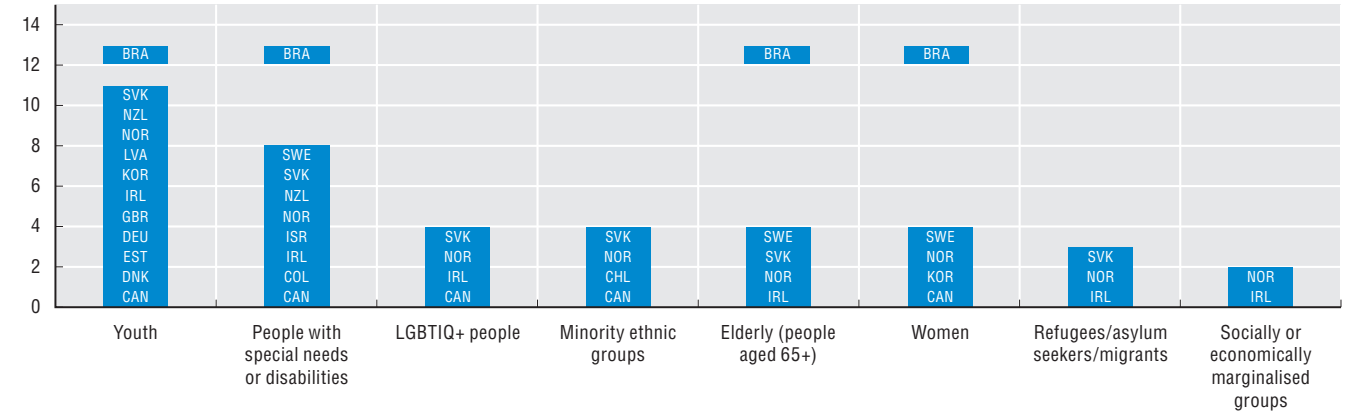
9.1. Availability of guidelines for civil servants on open government-related topics at the central/federal level, 2020



Source: OECD (2021), *Survey on Open Government*.

StatLink https://doi.org/10.1787/888934258591

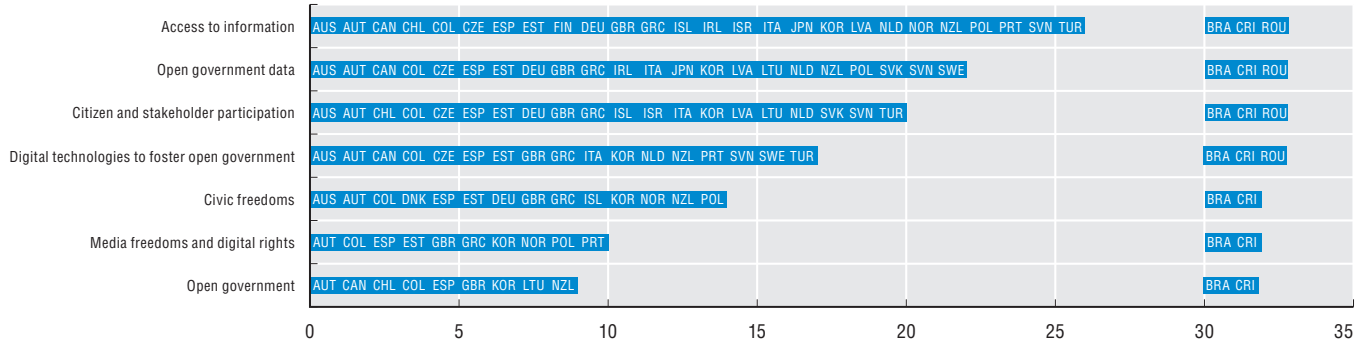
9.2. Focus of participation guidelines for civil servants on specific groups, 2020



Source: OECD (2021), *Survey on Open Government*.

StatLink https://doi.org/10.1787/888934258610

9.3. Availability of training for civil servants on open government-related topics at the central/federal government, 2020



Source: OECD (2021), *Survey on Open Government*.

StatLink https://doi.org/10.1787/888934258629

Citizen and stakeholder participation portals

Digital tools can enable citizens and stakeholders to take part in decision making and increase the reach of participation opportunities, especially for those who are unable to attend meetings in person due to time or distance constraints. In particular, participation portals (websites), where government institutions publish consultation and engagement opportunities, can help to facilitate exchanges and collaboration with citizens and stakeholders when designing public policies, and widen the opportunities for collaboration.

All participation opportunities across the central/federal government can be centralised in a government-wide portal. Equally, governments can set up institution-specific portals (where a single institution publishes its participation opportunities), or establish individual portals for specific policy documents (e.g. open government partnership action plans). Government-wide portals have the advantage of providing a "one-stop shop" for citizens to learn about past, current and future opportunities for participation. On the other hand, institution or policy-specific portals are easier to adapt to the specifics of each participation process. Some governments rely solely on one type of portal, while others use a mixed approach combining two or more of them.

In 2020, 27 out of 32 OECD countries (85%) and two other economies (Brazil and Romania) which took part in the Survey on Open Government had government-wide participation portals used by all ministries at the central/federal level of government to publish consultation and engagement opportunities. In total, 12 of the 32 OECD countries (38%) had several government-wide portals, and 15 (47%) had a single government-wide portal. Only two of the surveyed OECD countries (6%) – Turkey and Sweden – had no participation portals of any kind at the central/federal government level (Figure 9.4).

The most common function of government-wide participation portals is providing information about past consultation or engagement opportunities: 25 of the 27 OECD countries (93%) which have such portals, plus Brazil and Romania, offer this functionality. In 22 of the OECD countries (81%) and Brazil and Romania, government-wide portals are used to carry out online consultations or engagement (e.g. allowing people to submit their inputs online) and in 19 (70%) and Brazil and Romania they provide background documents for specific consultation or engagement opportunities. It is less common for government-wide portals to provide feedback to citizens and stakeholders about their inputs and recommendations (e.g. how they were considered when making the final decision): Only 11 (41%) OECD countries and Brazil had portals with this functionality (Table 9.5.).

One of the two government-wide portals of Italy has the widest range of functions (all seven enquired about in the survey), including informing about upcoming consultations and engagement opportunities, and providing information about citizens' and stakeholders' right to participate. In contrast, Ireland's portal offers only one function: redirecting users towards individual institutional portals.

Seven OECD countries provided information about their institution-specific portals. In six of these (86%), the portals inform about past consultation or engagement opportunities and provide information about upcoming opportunities, while in five (71%) they can be used to carry out online consultations. Six OECD countries reported having other types of portals (e.g. policy-specific), of which three (50%) reported they can be used to carry out consultations.

Methodology and definitions

Data were collected through the Survey on Open Government, which was conducted between November 2020 and March 2021. Thirty-two OECD countries and three other economies (Brazil, Costa Rica and Romania) participated. Respondents were the delegates to the Working Party on Open Government, who co-ordinated the response across their respective governments.

Participation is understood as all the ways in which citizens and stakeholders can be involved in the policy cycle and in service design and delivery. In particular, consultation entails a two-way relationship in which stakeholders provide feedback to the government and *vice versa*. It is based on the prior definition of the issue for which views are being sought and requires the provision of relevant information, in addition to feedback on the outcomes of the process. Engagement refers to a process in which stakeholders are given the opportunity and the necessary resources (e.g. information, data and digital tools) to collaborate during all phases of the policy cycle, and in service design and delivery.

Further reading

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

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

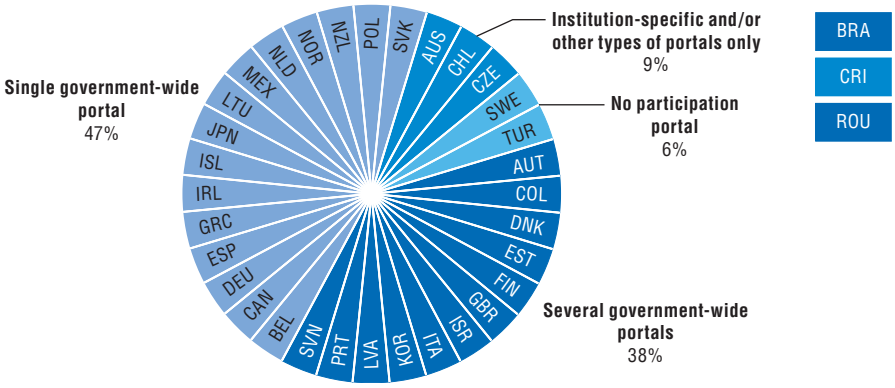
OECD (2016), *Open Government: The Global Context and the Way Forward*, OECD Publishing, Paris, *https://doi.org/10.1787/9789264268104-en*.

Figure notes

Data for France, Hungary, Luxembourg, Switzerland and the United States are not available.

9.5. Sweden and Turkey are excluded because they have no participation portals.

9.4. Availability of government-wide portals to facilitate citizen and stakeholder participation, 2020



Source: OECD (2021), *Survey on Open Government*.

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9.5. Functions of participation portals, 2020

Country	Inform about past consultations/ engagement	Carry out online consultations/ engagement	Background documents for consultations/ engagement	Inform about upcoming consultations/ engagement	Inform about rights to participate	Provide feedback on the inputs received during participatory processes	Redirect towards institutional portals
Australia	⊙	⊙	⊙			⊙	❖
Austria	●⊙	●	●	●⊙	●⊙		●⊙
Belgium	●	●	●	●	●		
Canada	●			●			●
Chile	⊙	⊙	⊙		⊙	⊙	
Colombia	●			●		●	●
Czech Republic	❖		❖	❖		❖	
Denmark	●	●	●	●	●		
Estonia	●❖	●❖	⊙	⊙❖	●⊙❖	●❖	⊙
Finland	●	●	●			●	
Germany	●⊙	⊙	⊙	●⊙	●⊙	●	●
Greece	●	●	●	●			
Iceland	●	●	●	●	●	●	
Ireland							●
Israel	●	●	●	●	●		●
Italy	●	●	●	●	●	●	●
Japan	●	●	●				●
Korea	●	●	●	●	●	●	
Latvia	●	●	●	●			
Lithuania	●	●	●	●	●	●	
Mexico	●	●	●				
Netherlands	●	●					
New Zealand	●❖	●❖	●❖	●			
Norway	●	●	●				
Poland	●		●❖			●	
Portugal	●⊙	●⊙	●⊙	●	●⊙	⊙	
Slovak Republic	●	●❖	●	●		●	
Slovenia	●	●		●	●		
Spain	⊙	●⊙	⊙	⊙	●		●
United Kingdom	●	●	●	●	●	●	●
OECD Total							
● Government-wide	25	22	19	18	14	11	10
⊙ Institution-specific	6	5	6	4	5	3	2
❖ Other portal	3	3	3	2	1	2	1
Brazil	●⊙	●⊙	●⊙	●⊙	⊙	●⊙	
Costa Rica	❖	❖					
Romania	●	●	●	●	●		●

Source: OECD (2021), *Survey on Open Government*.

StatLink https://doi.org/10.1787/888934258667

Implementation of access to information laws

Transparency is a key principle of open government and a core foundational element of a functioning democracy. It enables citizens to exercise their voice and contribute to setting priorities, monitoring government actions and having an informed dialogue about – and participating in – decisions that affect their lives. In addition, transparency is crucial for good governance and contributes to the fight against corruption, clientelism and policy capture, all of which are imperative for restoring citizens' trust in government. Most initiatives to promote transparency have focused on access to information (ATI) laws, and more than 120 countries, including all OECD countries, have enacted ATI laws, with varying levels of maturity.

An important factor in the implementation of ATI laws is the existence of institutional arrangements for oversight of their application. The responsibilities of these bodies vary but often include enforcement, monitoring and the promotion of the law. They can be an independent information commission (or agency or other body) with a mandate purely to oversee the implementation of ATI laws or they could be a body like an ombudsman with an ATI mandate as part of a wider remit (e.g. human rights, discrimination or gender). In the Survey on Open Government, 18 OECD countries out of 32 (56%) and Brazil have an independent information body with a specific ATI mandate, while for 9 countries (28%), such as Finland and Norway, the implementation of ATI laws is overseen by a body with a wider remit. Finally, 17 OECD countries (53%) and 3 other economies (Brazil, Costa Rica and Romania) assign this mandate to a central government body, which is not independent from the executive branch. Some countries have complex systems in which two or more public bodies oversee the implementation of access to information laws. For example, Chile has a Council for Transparency and a Transparency Commission within the Ministry General Secretariat of the Presidency (Figure 9.6).

Countries can often struggle with their ATI obligations due to a lack of a dedicated office or official to advise on the implementation of such laws. Several ATI laws require the establishment of an information office or officer responsible for ensuring compliance with the law. These officers are appointed to guarantee both proactive and reactive disclosure of information. Currently, the law stipulates such a role only in 15 out of 30 OECD countries (50%) as well as in Brazil, Costa Rica and Romania (Figure 9.7). For example, Canada enables the head of each government institution to delegate their powers, duties and functions under the law to dedicated officers. However, countries without this provision can still create similar positions.

Improving the implementation of ATI laws also requires good practice at the sub-national level with many national governments undertaking initiatives to promote this. Fifteen out of 31 OECD countries (48%) and 3 other economies run capacity-building programmes for public officials at sub-national levels while 11 OECD countries (35%) as well as Brazil, Costa Rica and Romania also host regular information sessions for stakeholders on accessing information. Furthermore, 12 OECD countries (39%) and the 3 other economies have created local guidelines on ATI. Nine OECD countries (29%) and Brazil are pursuing other innovative ways of improving implementation. For example, Lithuania offers training on digital skills and services for stakeholders on locating information and making online ATI requests. In federal countries, the federal government can also assist the sub-national levels of government; for example, the Time Brazil programme supports officials in the implementation of open government initiatives, including ATI obligations (Table 9.8).

Methodology and definitions

Data were collected through the Survey on Open Government, which was conducted between November 2020 and March 2021. Thirty-two OECD countries and three other economies (Brazil, Costa Rica and Romania) participated. Respondents were the delegates to the OECD Working Party on Open Government, who co-ordinated the response across their respective governments. The section on access to information is based on responses by senior public officials across government with expertise and oversight on the subject of transparency and access to information.

Access to information refers to the ability of an individual to seek, receive, impart and use information effectively. In public administration, access to information refers to the existence of a robust system through which government information is made available to individuals and organisations.

Further reading

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

OECD (2016), *Open Government: The Global Context and the Way Forward*, OECD Publishing, Paris. *http://dx.doi.org/10.1787/9789264268104-en*.

Zuegel, K., E. Cantera and A. Bellantoni (2018), "The role of ombudsman institutions in open government", *OECD Working Paper on Public Governance*, No. 29, OECD Publishing, Paris, *https://doi.org/10.1787/7353965f-en*.

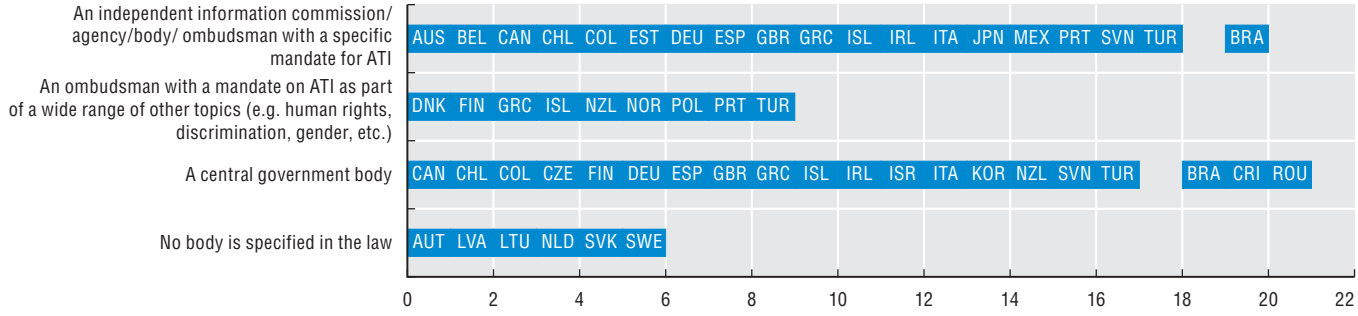
Figure notes

Data for France, Hungary, Luxembourg, Switzerland and the United States are not available.

9.7. Data for Greece and Poland are not available.

9.8. Data for Slovenia are not available.

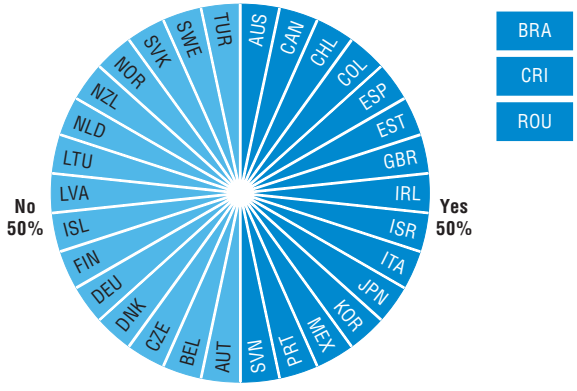
9.6. Bodies responsible for the enforcement, monitoring and/or promotion of the ATI law, 2020



Source: OECD (2021), *Survey on Open Government*.

StatLink https://doi.org/10.1787/888934258686

9.7. Requirement for an access to information office or officer stipulated by law, 2020



Source: OECD (2021), *Survey on Open Government*.

StatLink https://doi.org/10.1787/888934258705

9.8. Central/federal government initiatives to improve access to information at the sub-national level, 2020

Country	Capacity-building programmes for public officials	Information sessions for stakeholders	Local guides on accessing information	Other	No initiatives have been implemented at the sub-national level
Australia					●
Austria	●				
Belgium					●
Canada				●	
Chile	●	●	●		
Colombia	●	●	●		
Czech Republic				●	
Denmark					●
Estonia	●		●		
Finland		●	●		
Germany					●
Greece	●	●			
Iceland				●	
Ireland	●	●	●	●	
Israel		●			
Italy	●	●			
Japan					●
Korea	●	●	●		
Latvia					●
Lithuania				●	
Mexico	●		●		
Netherlands	●	●		●	
New Zealand	●		●		
Norway					●
Poland	●		●	●	
Portugal	●	●		●	
Slovak Republic					●
Spain	●		●	●	
Sweden					●
Turkey			●		
United Kingdom	●	●	●		
OECD Total	15	11	12	9	9
Brazil	●	●	●	●	
Costa Rica	●	●	●		
Romania	●	●	●		

Source: OECD (2021), *Survey on Open Government*.

StatLink https://doi.org/10.1787/888934258724

10. DIGITAL GOVERNMENT

Digital government: Progress towards digital competence and maturity

Digital by design: Strengthening co-ordination and skills to foster digital transformation

Data as a strategic asset for the public sector

Digital government: Progress towards digital competence and maturity

As societies and economies become increasingly digital, fostering the digital transformation of governments to meet the expectations of more demanding and empowered service users is essential. A government that is able to leverage digital tools and data is pivotal to enabling agile responses and fostering the resilience of the public sector to external shocks, such as the COVID-19 pandemic.

The Digital Government Index (DGI) assesses and benchmarks the maturity of digital government policies and their implementation under a coherent and whole-of-government approach. It thereby aims to help appraise governments' ability to operate in an increasingly digital and global world. Scores range from 0 (the lowest) to 1 (the highest). It has six dimensions based on the OECD Digital Government Policy Framework (DGPF), each with an equal weight (0.16): *digital by design, data-driven public sector, government as a platform, open by default, user-driven* and *proactiveness*.

In 2019, the average DGI score across OECD countries was 0.5, with 15 out of 29 countries surpassing this threshold. Korea (0.74), the United Kingdom (0.74) and Colombia (0.73) were the best performers in this assessment. These countries stand out for their comprehensive digital government strategies and long-standing institutional arrangements, which translate into greater maturity in the implementation of digital government reforms. In contrast, Greece (0.35), Iceland (0.28) and Sweden (0.26) scored the lowest in this edition. These countries have much room for improvement in setting a whole-of-government strategic approach and policy frameworks for the use of digital technologies (*digital by design* and *government as a platform*) and data (*data-driven public sector*) to effectively equip their governments to become *user-driven* and *proactive* (Figure 10.1).

OECD countries attained their best average score (0.11 out of 0.16) in the *open by default* dimension, which describes the extent to which data, information and processes are open unless there is a compelling reason why they should not be. Korea (0.15) and the United Kingdom (0.14) maintain the same solid performance as they do in the other five dimensions. The Czech Republic (0.13), Slovenia (0.12) and Greece (0.12) perform particularly strong compared to their performance in other dimensions. Austria, Lithuania (0.09 each), Sweden (0.06) and Iceland (0.05) have the lowest scores.

The dimensions with the lowest OECD average scores were *data-driven public sector* and *proactiveness* (0.07 each). This reflects governments' issues with valuing data as a strategic public asset and anticipating user needs, avoiding cumbersome data and service delivery processes. The *data-driven public sector* dimension measures countries' data governance structures (e.g. data strategies), infrastructure and standards to capitalise on the value of data. The United Kingdom (0.12), Denmark and Korea (0.11 each) stand out for their performance. Chile, Finland and Germany (0.04 each) have the lowest scores, indicating that they need to do more to capitalise on the value of data.

Proactiveness measures whether governments deliver data and services to the public without waiting for formal requests from users. Colombia (0.13), Latvia (0.11) – which otherwise has a below-average overall score of 0.47 – and France (0.11) score highest in this dimension, while the Czech Republic (0.03), the Netherlands (0.03), Greece (0.02) and Sweden (0.02) score lowest.

Methodology and definitions

Data for the DGI were collected through the OECD Survey on Digital Government 1.0, which was designed to monitor the implementation of the OECD Recommendation of the Council on Digital Government Strategies and assess countries' shift towards greater levels of digital maturity. In 2019, 29 OECD countries, and one OECD key partner country (Brazil) participated in the DGI. 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.

Digital government refers to the use of digital technology to create public value as an integrated part of governments' modernisation strategies. It requires a digital government ecosystem comprised of government actors, non-governmental organisations, businesses, citizens' associations and individuals, which supports the production of and access to data, services and content through interactions with the government. For the definition of e-government, see the glossary.

Further reading

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

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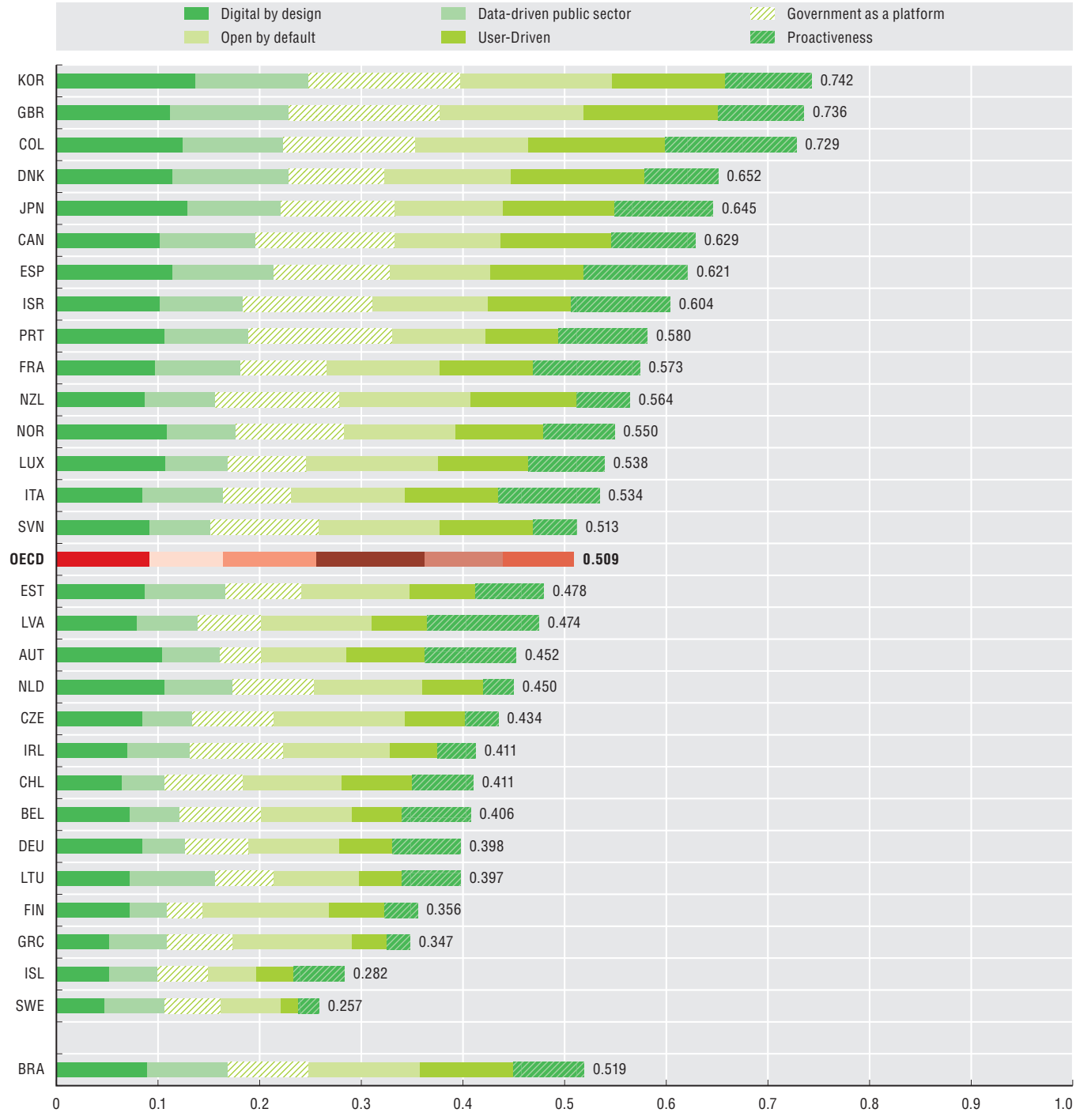
Figure notes

Data are not available for Australia, Hungary, Mexico, Poland, the Slovak Republic, Switzerland, Turkey and the United States.

10.1. OECD Digital Government Index, 2019



Source: OECD (2019), *Survey on Digital Government 1.0.*

StatLink https://doi.org/10.1787/888934258743

Digital by design: Strengthening co-ordination and skills to foster digital transformation

As rapid digital transformation changes all aspects of life, citizens expect their governments to provide services and policies that deliver on the promises of the digital age. A strategic approach to the use of digital tools and data in the public sector is fundamental to ensuring digitally competent government in an increasingly global and digital society.

The Digital Government Index (DGI) assesses the maturity and implementation of governments' digital policies. The *digital by design* dimension considers how far governments exploit the full potential of digital technologies from the outset when formulating policies and designing services, regardless of the channel used. In 2019, OECD countries scored more evenly in this dimension than in the other five, with an average of 0.09 out of 0.16 (see two-pager on "Digital Government: Progress towards digital competence and maturity"). This reflects the efforts made in the previous decades to increase the digitalisation of the public sector (e-government).

Cross-government co-ordination of digital government policies is one aspect covered in *digital by design*, as it is fundamental to breaking down bureaucratic siloes that impede the coherent and integrated use of digital tools and data across the public sector. In 2019, 21 out of 29 OECD countries (69%) had formal co-ordination bodies at central or federal level for government ICT projects, such as councils of chief information officers (CIOs) or other related bodies. However, they have limited responsibilities, in most cases acting in advisory rather than decision-making roles. On average, they had five responsibilities, three advisory ones (such as developing, co-ordinating or monitoring the implementation of national digital government strategy) and two decision making ones (e.g. *ex ante* revisions and evaluation of ICT projects or prioritising/approving projects). There are wide variations between countries, with Korea and Japan assigning all ten advisory and decision-making responsibilities to their co-ordination bodies, and Lithuania allocating only one. In most countries co-ordination bodies have more advisory responsibilities than decision-making ones, although in Austria, Colombia and Israel the opposite is true (Table 10.2).

Digital talent and skills are fundamental for an effective and sustainable digital transformation of the public sector. Most OECD countries surveyed (22 out of 29, or 76%) have strategies for the development of both user skills (e.g. email management) and professional digital skills (i.e. initiatives to attract and maintain specialists in digital technologies in the public sector) among civil servants. However, only 12 (41%) have conversion processes to increase the number of ICT professionals, and 11 (38%) have partnerships with higher education on internships for ICT careers. In addition, only 18 (62%) focus on digital complementary skills (i.e. increasing awareness of the opportunities, benefits and challenges of the digital transformation of the public sector) (Figure 10.3).

The DGI found few training initiatives for public professionals in areas such as data analytics in policy making and service delivery (8 countries or 28%), artificial intelligence (9 countries), and usability and accessibility (6 countries each). Examples of such a comprehensive training approach for the public workforce are the GDS Academy in the United Kingdom and the School of Public Service in Canada (Online Figure G.37).

Methodology and definitions

Data for the DGI were collected through the OECD Survey on Digital Government 1.0, which was designed to monitor the implementation of the OECD Recommendation of the Council on Digital Government Strategies and assess countries' shift towards greater levels of digital maturity. In 2019, 29 OECD countries, and one OECD key partner country (Brazil) participated in the DGI. 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.

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

Further reading

OECD (2020), "Digital Government Index: 2019 results", *OECD Public Governance Policy Papers*, No. 3, OECD Publishing, Paris, *https://doi.org/10.1787/4de9f5bb-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 (2021), "The OECD Framework for Digital Talent and Skills in the public sector" *OECD Working Papers on Public Governance*, *https://doi.org/10.1787/4e7c3f58-en*.

Figure notes

Data are not available for Australia, Hungary, Mexico, Poland, the Slovak Republic, Switzerland, Turkey and the United States.

10.2. Countries with no co-ordination body show as having assigned no (zero) responsibilities to such bodies. The OECD average does not include countries with no co-ordination body.

Figure G.37 (Training initiatives available for civil servants, 2019) is available online in Annex G.

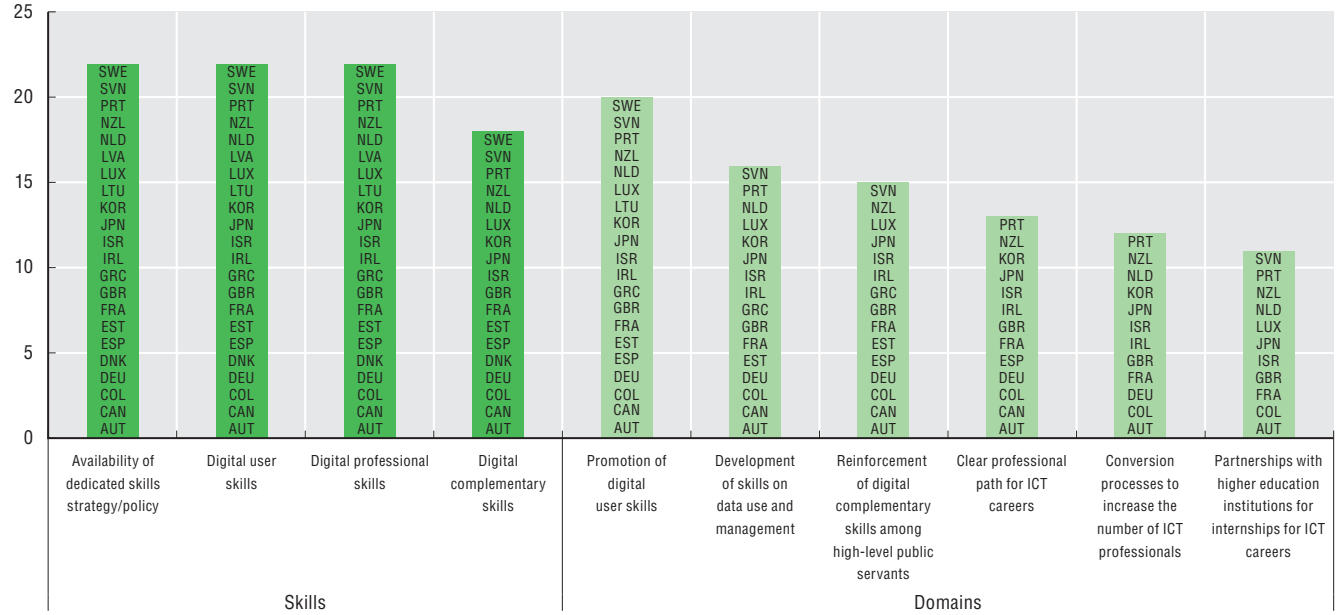
10.2. Advisory and decision-making responsibilities of digital government co-ordination bodies, 2019

	Advisory responsibilities					Decision-making responsibilities					
	Advising the development of the central/ federal digital government strategy	Monitoring the implementation of the central/ federal digital government strategy	Advising the development and implementation of institutional digital strategies	Developing technical guidelines for the development of ICT architecture across the central/federal government in a standardised fashion	Co-ordinating with local governments for the development of ICT projects aligned to the objectives of the central/federal digital government strategy	Prioritisation of ICT projects across the government	Ex ante revisions and evaluation of ICT projects across the central/federal government	Approval of ICT projects across the government as needed	Mandating external reviews (e.g. performance assessments) of ICT projects across the government	Provision of financial support for the development and implementation of ICT projects	No co-ordination body
Austria	●	●	●	●	○	●	●	●	●	●	○
Belgium	○	○	○	○	○	○	○	○	○	○	●
Canada	●	●	●	●	○	●	●	●	○	○	○
Chile	○	○	○	○	○	○	○	○	○	○	○
Colombia	○	○	○	○	●	●	●	●	●	●	○
Czech Republic	●	●	●	○	●	●	○	●	●	●	○
Denmark	○	○	●	○	○	○	●	○	○	○	○
Estonia	○	○	○	○	○	○	○	○	○	○	●
Finland	●	●	○	●	○	○	○	○	○	○	○
France	●	○	●	○	○	○	○	○	○	●	○
Germany	●	●	○	●	●	●	○	○	○	○	○
Greece	○	○	○	○	○	○	○	○	○	○	●
Iceland	○	○	○	○	○	○	○	○	○	○	●
Ireland	○	○	○	○	○	○	○	○	○	○	●
Israel	●	●	●	●	○	●	●	●	●	●	○
Italy	○	○	○	○	○	○	○	○	○	○	●
Japan	●	●	●	●	●	●	●	●	●	●	○
Korea	●	●	●	●	●	●	●	●	●	●	○
Latvia	●	●	●	●	●	○	○	○	○	○	○
Lithuania	○	●	○	○	○	○	○	○	○	○	○
Luxembourg	○	○	○	○	○	○	○	○	○	○	●
Netherlands	○	○	○	○	○	○	○	○	○	○	●
New Zealand	○	○	●	●	○	○	○	○	○	○	○
Norway	○	○	○	○	○	○	○	○	○	○	●
Portugal	●	●	●	●	○	●	●	○	●	○	○
Slovenia	●	●	●	●	○	○	●	●	○	○	○
Spain	●	●	●	●	●	●	●	●	○	○	○
Sweden	○	○	○	○	○	○	○	○	○	○	●
United Kingdom	●	●	●	●	○	○	○	○	○	○	○
OECD Total											
● Yes	14	14	14	13	7	10	10	9	7	7	10
○ No	15	15	15	16	22	19	19	20	22	22	19
Brazil	●	●	○	●	●	●	●	○	●	●	○

Source: OECD (2019), *Survey on Digital Government 1.0.*

StatLink https://doi.org/10.1787/888934258762

10.3. Domains and skills covered by specific strategy/policy for the public sector workforce, 2019



Source: OECD (2019), *Survey on Digital Government 1.0.*

StatLink https://doi.org/10.1787/888934258781

Data as a strategic asset for the public sector

Data are essential to improving performance management, policymaking and service design and delivery. To realise this promise, governments have to value data as a strategic asset, establish sound policy frameworks and undertake reforms to secure the availability of high-quality data, as well as allowing trusted access, sharing and use to help break down policy and service siloes.

The Digital Government Index (DGI) assesses and benchmarks the maturity of digital government policies and their implementation under a coherent and whole-of-government approach. The *data-driven public sector* dimension measures the extent to which governments have adopted and implemented a data governance approach to secure the effective management of data across public sector organisations. This is the second lowest scoring of the six DGI dimensions, with an average of 0.07 out of 0.16 (see two-pager on "Digital government: Progress towards digital competence and maturity"), which shows governments' limited progress in creating the conditions for a data-intensive transformation of the public sector.

Many countries still lack a strategic and coherent whole-of-government approach to the development of a data-driven public sector. Most lack dedicated public sector data policies or strategies, and committed leadership. In 2019, only Canada, Denmark, Greece and the United Kingdom had a single dedicated public sector data policy. In contrast, 23 out of 29 (80%) OECD countries taking part in the DGI reported their approach to public sector data was divided across one or more related policies, such as digital government or open government data (OGD) (Figure 10.4). Central/federal and institutional leadership are two fundamental aspects of sound data governance in the public sector but only limited use is made of dedicated roles to lead the development of a data-driven public sector: only 16 out of 29 OECD countries (55%) have co-ordinating bodies, and another 10 (34%) have a dedicated leadership role (e.g. Chief Information Officer) for this purpose. Only seven countries (Denmark, France, Israel, Japan, Korea, the Netherlands and New Zealand) have both (Figure 10.5).

The DGI results show a significant gap between the availability of standards and the implementation of initiatives to strategically manage data in the public sector. Initiatives to share data allow for a more integrated and efficient public sector and 28 out of 29 OECD countries (97%) have such policy initiatives. There are however differences between countries, as 6 (21%) do it on *ad hoc* basis while 22 (76%) do it as part of a formal government programme. Nevertheless, only 8 OECD countries (28%) have a single exhaustive data inventory at the central/federal level, and another 10 (34%) have a non-exhaustive inventory (at least 60% of data) (Figure 10.6).

Alignment and adherence to shared ethical values and principles for the management of data are essential to providing timely and trustworthy data. Ten of the 29 OECD countries taking part in the 2019 DGI (34%) reported having both formal requirements to adhere to ethical guidelines and initiatives to apply ethical principles to data-related initiatives, and another 9 (31%) have only established formal requirements. This suggests that countries should continue to work towards adopting mechanisms to secure agility, integrity and ethical management of data, such as the forthcoming OECD Good Practice Principles for Data Ethics in the Public Sector and the OECD's work towards a recommendation on enhanced access and sharing of data.

Methodology and definitions

Data for the DGI were collected through the OECD Survey on Digital Government 1.0, which was designed to monitor the implementation of the OECD Recommendation of the Council on Digital Government Strategies and assess countries' shift towards higher levels of digital maturity. In 2019, 29 OECD countries, and one OECD key partner country (Brazil) participated in the DGI. Survey respondents were senior officials in central and federal governments, leading and/or implementing digital government reforms, who have gathered data from different parts of the public sector as relevant.

Data-driven public sector refers to the principle under which government values data as a strategic asset and establishes the governance to secure availability, access, sharing and re-use mechanisms for improved decision making and services in the public sector.

Further reading

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

OECD (2019), *The Path to Becoming a Data-Driven Public Sector*, OECD Digital Government Studies, OECD Publishing, Paris, *https://doi.org/10.1787/059814a7-en*.

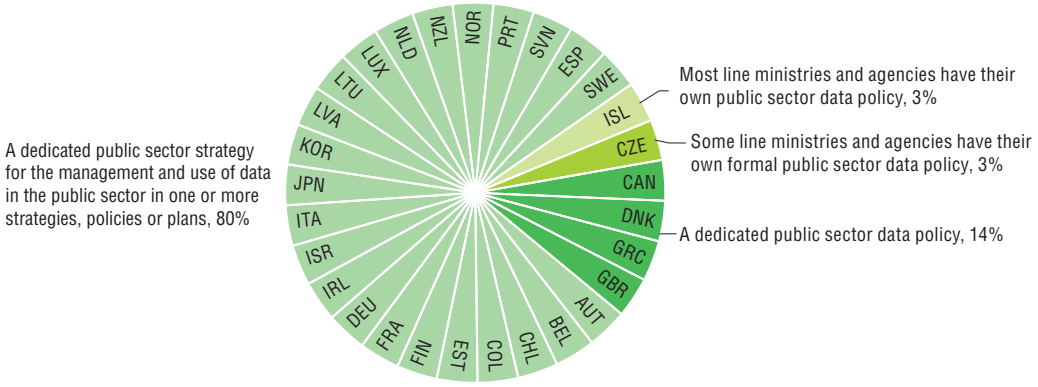
OECD (2021), "Good Practice Principles for Data Ethics in the Public Sector", *https://oe.cd/dataethics*.

Figure notes

Data are not available for Australia, Hungary, Mexico, Poland, the Slovak Republic, Switzerland, Turkey and the United States.

10.5. The outer ring shows the existence or not of a leading organisation responsible for public sector data policy/strategy, and the inner ring the existence of a dedicated role/position within the public sector to lead its implementation.

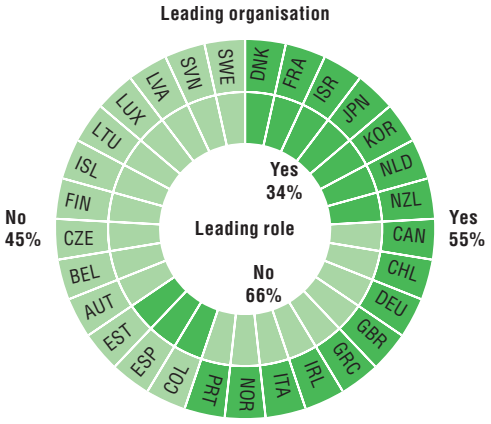
10.4. Availability of a public sector data policy at the central/federal government level, 2019



Source: OECD (2019), *Survey on Digital Government 1.0.*

StatLink https://doi.org/10.1787/888934258800

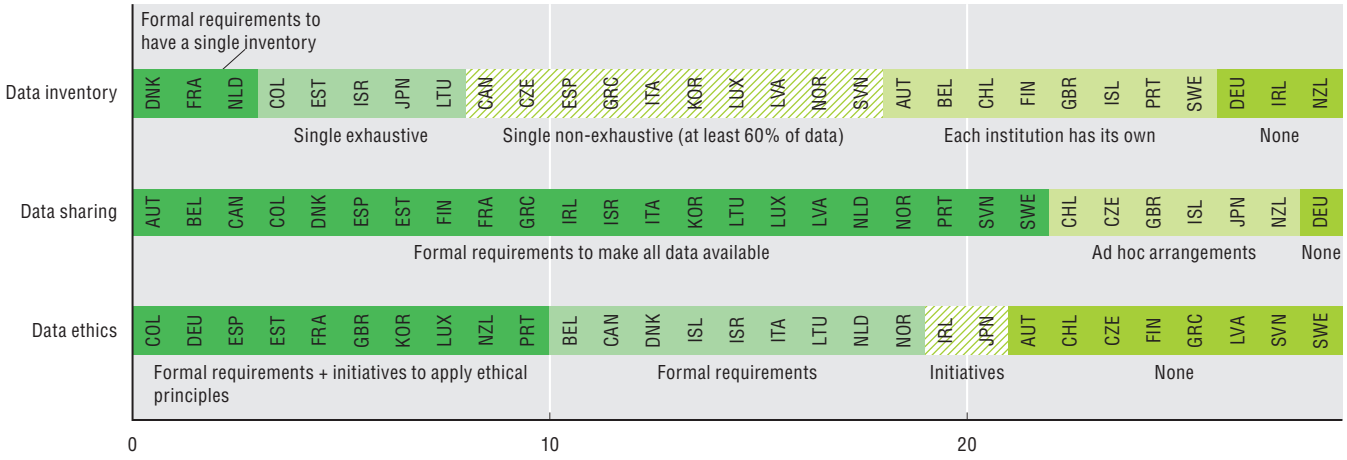
10.5. Implementing public sector data policies: Leading public sector organisation and dedicated leading role at the central/federal government, 2019



Source: OECD (2019), *Survey on Digital Government 1.0.*

StatLink https://doi.org/10.1787/888934258819

10.6. Formal requirements and initiatives for data inventories, sharing and ethics, 2019



Source: OECD (2019), *Survey on Digital Government 1.0.*

StatLink https://doi.org/10.1787/888934258838

11. GOVERNANCE OF INFRASTRUCTURE

Long-term strategic vision for sustainable infrastructure

Assessment of value for money and affordability

Life cycle perspective in infrastructure procurement

Governance of critical infrastructure resilience

Long-term strategic vision for sustainable infrastructure

Developing a long-term strategic vision for infrastructure helps governments identify and address infrastructure service needs in a timely and coherent manner. As the OECD Recommendation on the Governance of Infrastructure highlights, long-term strategic visions should be aligned with long-term policy objectives, including commitments on environmental protection, climate change mitigation, human rights, social inclusion, gender equality and regional development.

Most OECD countries have become aware of the need for coherence between long-term infrastructure plans and broader sustainable development objectives, in light of commitments made under the Sustainable Development Goals of Agenda 2030. Most surveyed OECD countries (22 out of 30, or 73%) have aligned their long-term infrastructure plan with environmental and climate action policies (Table 11.1). In 20 of these, the aim is to invest in key projects enabling the implementation of broader sustainability initiatives (67%), followed by adapting existing infrastructure to improve environmental performance, and identifying cross-sector synergies to reduce negative environmental impacts (17 each, or 57%). Fewer have adopted resource efficiency targets in the construction and operation of infrastructure (12 countries, or 40%) or research and development to promote environmentally friendly infrastructure (10 countries, or 33%) (Figure 11.2).

Other less commonly integrated policy objectives include land use and spatial planning instruments and regional development plans (15 countries each, or 50%), inclusion and gender mainstreaming (8 out of 30, or 27%), and human rights (5, or 17%) (Table 11.1). This limits governments' capacity to monitor how infrastructure affects specific population groups.

Infrastructure investment and delivery will play a prominent role in the recovery from the COVID-19 crisis. With good governance, infrastructure investments could contribute to a sustainable rebound, building infrastructure capacity in the short term and strengthening resilience and achieving multiple objectives in the long term. Although the latest data were collected in January 2021, with the pandemic still unfolding, 21 OECD countries (70% of the 30 surveyed) had already adopted an economic stimulus or recovery package. Of these, over three-quarters see infrastructure playing a key role in the recovery (Table 11.1). For instance, in Chile, Costa Rica, Hungary, Ireland, New Zealand and Slovenia, 30% or more of the economic stimulus package has been allocated to investments in infrastructure.

Methodology and definitions

Data are drawn from the 2020 OECD Survey of Infrastructure Governance and the 2018 OECD Survey of Capital Budgeting and Infrastructure Governance. The two surveys are not identical but used similar questions for the time trends. The 2020 survey was conducted in January 2021, with responses from 30 OECD countries and Costa Rica. The 2018 survey was conducted in early 2018, with responses from 26 OECD countries. Respondents were predominantly senior officials in central/federal ministries of infrastructure, public works and finance, as well as in infrastructure agencies and other line ministries.

Infrastructure governance relates to the interactions between government institutions internally, and with private sector users and citizens. It encompasses a range of processes, tools and norms of interaction, decision making and monitoring used by governments and their counterparts providing infrastructure services.

A long-term national infrastructure plan refers to a politically sanctioned document that sets out concrete action in terms of infrastructure services to society over the long term. This might go beyond a normal political mandate period. Designing the vision requires a process to distil complex and multi-faceted infrastructure issues, cutting across multiple actors, sectors and interests, into a coherent set of decisions with long-term impact, including projects and processes. The process should be anchored in central agencies (chief executive, ministry of finance or similar) and have substantial input from policy departments, sub-national governments, civil society and business stakeholders.

Further reading

OECD (2020), "Public procurement and infrastructure governance: Initial policy responses to the coronavirus (Covid-19) crisis", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD Publishing, Paris, *https://doi.org/10.1787/c0ab0a96-en*.

OECD (2017), *Getting Infrastructure Right: A Framework for Better Governance*, OECD Publishing, Paris, *https://doi.org/10.1787/9789264272453-en*.

Figure notes

Data for 2020 refer to the infrastructure plans currently in force. Austria, Costa Rica, Mexico, New Zealand and Portugal reported ongoing efforts to update or replace their current plan. The 2020 data for Chile, Colombia, Germany, Latvia, Portugal and Spain refer to the transport sector and those of Turkey refer to the transport and health sectors. 2020 data for Belgium are based on responses from Flanders only. The Czech Republic's 2018 data are based on sectoral plans while the 2020 data are based on an overall plan. 2020 data for Australia, Denmark, France, Israel, the Netherlands, Poland and Sweden are not available.

11.1. 2018 data for Belgium, Canada, Colombia, Costa Rica, Finland, Iceland, Korea, Latvia, Lithuania and the United States are not available. As of April 2021, the EU COVID-19 stimulus packages are still being approved.

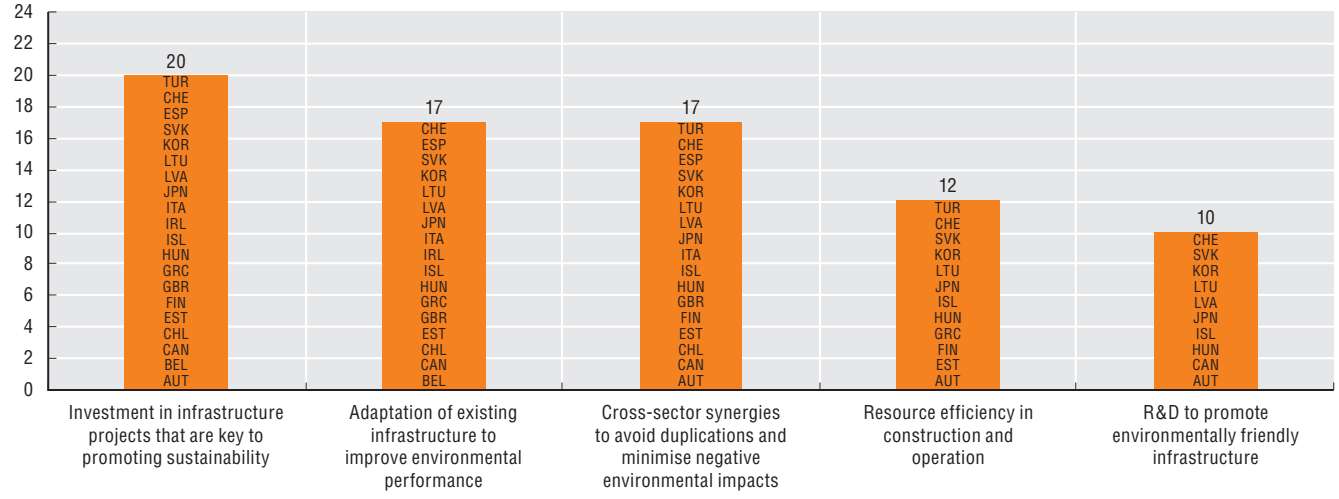
11.1. Development of a long-term strategic vision for sustainable infrastructure, 2018 and 2020

Country	The long-term infrastructure plan explicitly considers how to align the infrastructure strategic vision with other policies		Approval of economic stimulus or recovery packages (2021)	Inclusion of infrastructure investment commitments in economic stimulus or recovery packages (2021)
	2018 (overall or sectoral)	2020 (overall or sectoral)		
Australia	..	..	..	..
Austria	△▲	●△▲■	✓	✓
Belgium (Flanders)	..	△▲◇	✓	✓
Canada	..	●▲■	✓	✓
Chile	▲	▲	✓	✓
Colombia	..	●	✓	✓
Czech Republic	△▲	×	×	..
Denmark	▲	..	..	..
Estonia	▲	●△▲◇	✓	✓
Finland	..	●▲◇	✓	×
France	●△▲	..	..	..
Germany	▲+	..	✓	✓
Greece	●△▲	△▲◇	×	..
Hungary	●△	●△▲□◇	×	..
Iceland	..	●▲■	✓	✓
Ireland	●△▲	●△▲◇	✓	✓
Israel	●△▲	..	..	..
Italy	..	●▲◇	×	..
Japan	..	△▲◇	✓	✓
Latvia	..	●△▲■◇	✓	✓
Lithuania	..	●△▲□■	×	..
Luxembourg	●△	●▲	✓	✓
Mexico	●△▲	●□■	✓	×
Netherlands	●△▲	..	..	..
New Zealand	×	×	✓	✓
Norway	▲	△▲◇	✓	×
Portugal	..	×	×	..
Republic of Korea	..	●△▲◇	×	..
Slovakia	..	●△▲□■◇	×	..
Slovenia	△	..	×	..
Spain	..	▲+	✓	✓
Sweden	▲	..	..	..
Switzerland	△	●△▲□◇	✓	×
Turkey	●	●△▲◇	✓	✓
United Kingdom	●△▲	●△▲■◇	✓	✓
United States	..	..	✓	✓
OECD Total				
✓ Yes			21	17
× No			9	4
▲ Environmental or climate action plans	15	22		
● National document setting strategic priorities	10	18		
△ Land use and spatial planning instruments	13	15		
◇ Regional development plans		15		
■ Inclusion and gender mainstreaming		8		
□ Human rights commitments		5		
+ Other	1	1		
× None	1	3		
.. Not available/Not applicable	15	9	6	15
Non-OECD countries				
Costa Rica	..	●△▲□■◇	×	..

Source: OECD (2018), *Survey of Capital Budgeting and Infrastructure Governance*; OECD (2020), *Survey on the Governance of Infrastructure*.

StatLink https://doi.org/10.1787/888934258857

11.2. Goals and targets in long-term plans among countries that reported alignment of their long-term infrastructure plan with environmental or climate action plans, 2020



Source: OECD (2020), *Survey on the Governance of Infrastructure*.

StatLink https://doi.org/10.1787/888934258876

Assessment of value for money and affordability

The OECD Recommendation on the Governance of Infrastructure highlights several good practices, including ensuring decision making is informed by the need for value for money, ensuring the affordability of new infrastructures, disclosing total costs over the entire asset life cycle, and providing a transparent, independent and impartial expert assessment to test project costing, fiscal sustainability, time planning, risk management and governance.

In terms of value for money, each government judges what the optimal combination of quantity, quality, features and price should be over an infrastructure project's lifetime (OECD, 2019). OECD countries have made significant progress in assessing value for money in recent years. In 2020, 21 of 30 OECD countries surveyed (70%) reported conducting assessments to ensure value for money from infrastructure projects delivered via public-private partnerships (PPPs) and 18 of 30 (or 60%) for other types of infrastructure projects, compared to only 14 out of 26 of OECD countries (54%) for PPPs and for others each in 2018 (Table 11.3).

In 2020, 23 out of 30 OECD countries (77%) reported that their ministries of finance played a gatekeeping role – meaning that if approval from the ministry is not obtained, the project cannot proceed – compared to 17 out of 26 (65%) in 2018 (Table 11.3). The criteria used by finance ministries for the approval of infrastructure projects generally focus on projects' affordability for both the national budget and users, as well as their value for money.

When ensuring value for money and quality assurance of large infrastructure projects, it is key for the decision-making process to be impartial and avoid political capture. Independent experts can monitor the selection and prioritisation of projects, ensuring a clear and transparent decision-making process that is done in line with a straightforward set of criteria. Currently, only 20 out of 30 (67%) of OECD countries reported conducting regular independent and impartial expert assessments (Table 11.3).

Around 90% of OECD countries estimate construction (28 out of 30) and operation costs (27 out of 30) when assessing the affordability of new infrastructure projects. However, the assessment of maintenance (25 countries, or 83%), adaptation (17, or 57%) and decommissioning (13, or 43%) costs are less frequently included (Figure 11.4). Especially in a COVID-19 context, more efforts are needed to adopt mechanisms that effectively consider the affordability of new projects at all stages of the asset's life cycle.

Methodology and definitions

Data are drawn from the 2020 OECD Survey of Infrastructure Governance and the 2018 OECD Survey of Capital Budgeting and Infrastructure Governance.

The two surveys are not identical but used similar questions for the time trends. The 2020 survey was conducted in January 2021, with responses from 30 OECD countries and Costa Rica. The 2018 survey was conducted in early 2018, with responses from 26 OECD countries. 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.

Value for money is what a government judges to be an optimal combination of quantity, quality, features and price (i.e. cost), calculated over the whole of a project's lifetime.

Affordability should take into account the entire life cycle costs of infrastructure projects. From a government's perspective affordability means that projects can be accommodated within the government's current and future budget constraints; from the end-users' perspective it refers to their ability and willingness to pay the tariffs or other user charges associated with the access and use of the infrastructure asset.

Further reading

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

OECD (2019), *Budgeting and Public Expenditures in OECD Countries 2019*, OECD Publishing, Paris, *https://dx.doi.org/10.1787/9789264307957-en*.

OECD (2017), *Getting Infrastructure Right: A Framework for Better Governance*, OCED Publishing, Paris, *https://doi.org/10.1787/9789264272453-en*.

Figure notes

Data for 2020 for Australia, Denmark, France, Israel, the Netherlands, Poland and Sweden are not available. 2020 data for Belgium are based on responses from Flanders only. Austria and Switzerland have no PPP infrastructure projects.

Table 11.3. Data for 2018 for Belgium, Canada, Colombia, Costa Rica, Finland, Iceland, Latvia, Lithuania, Republic of Korea and the United States are not available. Data for 2018 on the gatekeeping role of the ministry of finance refer only to other infrastructure projects. In Austria and the United States, the ministry of finance only has a gatekeeping role in the approval of infrastructure projects in certain sectors. In Lithuania, the ministry of finance has also a gatekeeping role in the approval of PPPs. In Lithuania, only PPPs are subject to an independent and impartial expert assessment.

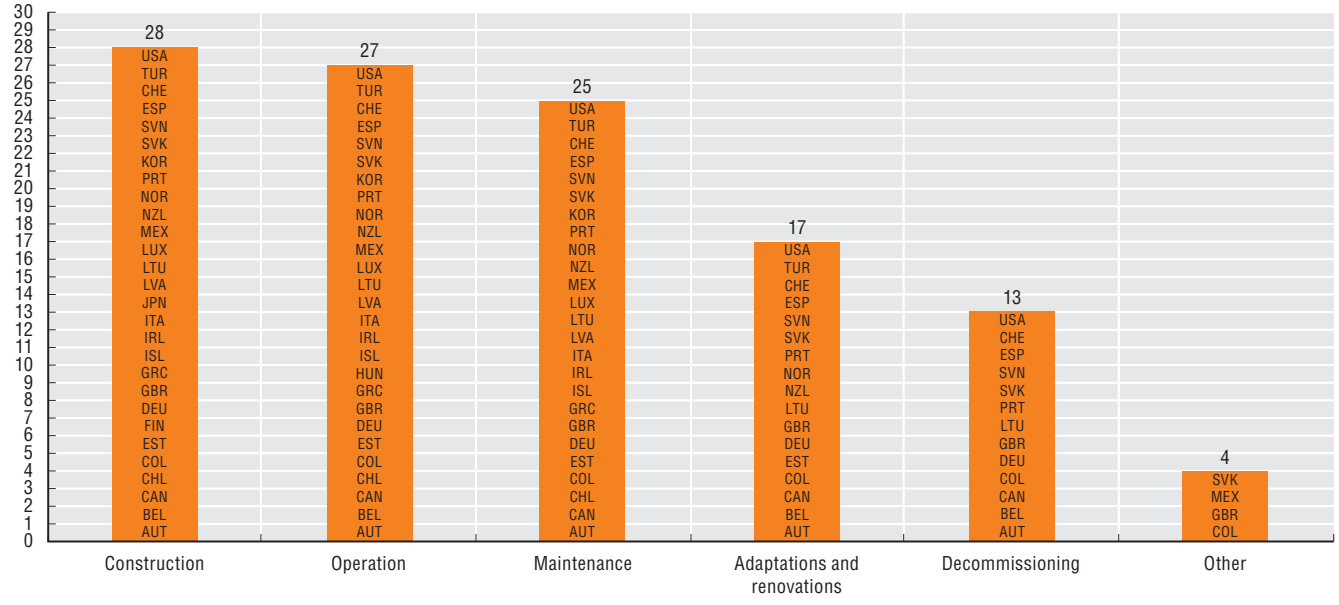
11.3. Assessment of value for money and affordability, 2018 and 2020

Country	Gatekeeping role of the ministry of finance		Existence of a formal process to evaluate value for money				Independent and impartial expert assessment
			PPPs		Other infrastructure projects		
	2018	2020	2018	2020	2018	2020	
Australia	○	..	✓	..	✓	..	..
Austria	○	○	×	×	+	△	○▲
Belgium (Flanders)	..	○	..	○	..	○	×
Canada	..	×	..	○	..	×	✓
Chile	✓	✓	+	+	+	×	▲
Colombia	..	✓	..	✓	..	✓	✓
Czech Republic	✓	○	○	✓	×	✓	..
Denmark	○	..	+	..	×	..	..
Estonia	✓	×	..	×	..	×	▲
Finland	..	○	..	×	..	×	○
France	×	..	✓	..	+	..	..
Germany	+	○	✓	○	✓	○	×
Greece	×	×	■	✓	✓	△	■
Hungary	✓	×	×	×	✓	×	✓
Iceland	..	✓	..	✓	..	✓	✓
Ireland	×	○	✓	✓	✓	✓	○
Israel	✓	..	○	..	○	..	..
Italy	■	✓	✓	+	✓	+	×
Japan	✓	○	✓	△	✓	○	✓
Latvia	..	✓	..	✓	..	×	▲
Lithuania	..	○	..	+	..	○	▲
Luxembourg	○	✓	×	✓	×	○	○
Mexico	✓	✓	✓	✓	..	×	○
Netherlands	○	..	✓	..	✓	..	..
New Zealand	×	●	✓	✓	○	+	×
Norway	○	○	○	○	○	○	○
Portugal	..	○	+	○	○	○	▲
Republic of Korea	..	○	..	✓	..	+	○
Slovakia	○	○	+	○	+	○	✓
Slovenia	+	×	○	○	○	○	■
Spain	○	✓	■	✓	■	✓	×
Sweden	○	..	×	..	×	..	..
Switzerland	×	×	×	+	×	+	▲
Turkey	+	+	■	✓	■	○	×
United Kingdom	✓	○	✓	✓	✓	✓	○
United States	..	○	..	+	..	+	×
OECD Total							
✓ All projects	8	8	10	13	9	6	6
○ Projects above a certain threshold	9	14	4	7	5	10	8
△ Projects of specific sectors		0		1		2	
● Only for PPPs		1					
▲ Projects of specific relevance							7
■ Ad hoc basis	1		3		2		2
+ Other	3	1	4	5	4	5	
× None	5	6	5	4	5	7	7
.. Not available/Not applicable	10	6	10	6	11	6	7
Non-OECD countries							
Costa Rica	..	✓	..	×	..	×	▲

Source: OECD (2018), *Survey of Capital Budgeting and Infrastructure Governance*; OECD (2020), *Survey on the Governance of Infrastructure*.

StatLink https://doi.org/10.1787/888934258895

11.4. Costs generally estimated to assess affordability of new infrastructure projects, 2020



Source: OECD (2020), *Survey on the Governance of Infrastructure*.

StatLink https://doi.org/10.1787/888934258914

Life cycle perspective in infrastructure procurement

The complexity, scale, timespan and risks involved in infrastructure projects call for specialised delivery and procurement strategies that enable decision makers to deliver projects in a way that maximises the value generated for society throughout the entire assets' life cycle. The OECD Recommendation on the Governance of infrastructure highlights 1) selecting contractors based on criteria combining qualitative and financial elements and including an assessment of costs, benefits and impacts incurred throughout the life cycle of the asset; 2) carefully evaluating optimal risk allocation and the use of value for money analytical tools to compare assessments of service delivery options; and 3) implementing balanced contractual relationships, holding contractors accountable for project specifications and professional standards.

Delivering sustainable infrastructure involves retuning procurement processes to take into account multiple policy dimensions. Procurement processes that exclusively focus on costs, or fail to consider the whole of the project's lifetime, may not support the delivery of an optimal combination of quality, technical features (e.g. resilience, environmental sustainability) and price. A vast majority of OECD countries surveyed (28 out of 30, or 93%) employ a combination of financial and qualitative criteria to select proposals. However, there is room for improvement in the use of life cycle costs for awarding contracts, including through different budgetary cycles, as only 12 out of 30 OECD countries (40%) use this mechanism, directly, reducing their ability to reduce inefficiencies and costs over the long term (Figure 11.5).

Infrastructure assets have long life and are particularly prone to risks such as inefficiency, lack of quality, cost overruns, economic and financial uncertainty, and integrity breaches. These risks can threaten projects' value for money and capacity to deliver the intended services. When procuring major infrastructure projects, the majority of OECD countries already identify, allocate and mitigate risks at each stage of the investment life cycle. According to the OECD Survey of Infrastructure Governance, 18 out of 29 OECD countries (62%) conduct risk management activities covering the entire infrastructure procurement life cycle, which is aligned with previous findings from the implementation report (2019) (Figure 11.6).

Contracting authorities play a key role in overseeing compliance with technical specifications and can develop a system of effective and enforceable sanctions if contractors are in breach. OECD countries have in place a wide range of mechanisms aiming to hold contractors accountable for project specifications and professional standards. Most OECD countries (24 out of 30, or 80%) employ tools to enforce contractual clauses, closely followed by dedicated on-site supervision (21 countries, or 70%). While just over half (16 out of 30, or 53%) already conduct periodical assessments of contractors' performance against key performance indicators, this practice could become more widely adopted (Figure 11.7).

Methodology and definitions

Data are drawn from the 2020 OECD Survey of Infrastructure Governance. The survey was conducted in January 2021, with responses from 30 OECD countries and Costa Rica. Respondents were predominantly senior officials in central/federal ministries of infrastructure, public works and finance, as well as in infrastructure agencies and other line ministries.

The life cycle of public assets means all the stages during the lifetime of a public infrastructure asset, starting from planning, prioritisation and funding, to design, procurement, construction, operation, maintenance and decommissioning.

Value for money is what a government judges to be an optimal combination of quality, features and price, calculated over the whole of the project's lifetime.

Further reading

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

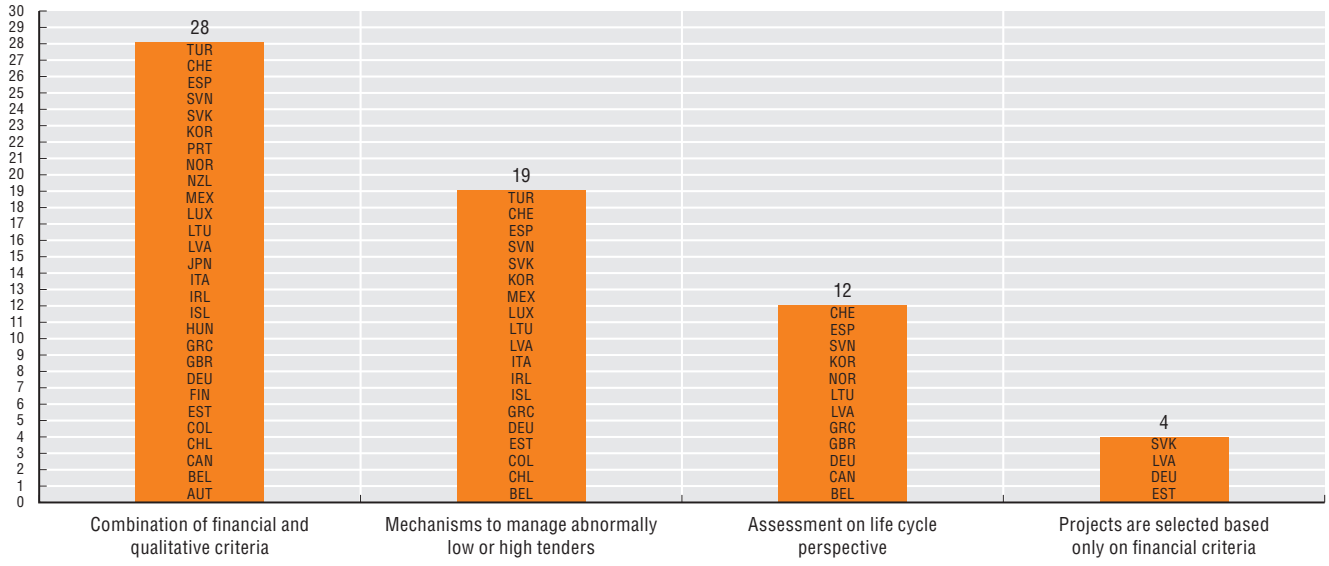
OECD (2020b), "Public procurement and infrastructure governance: Initial policy responses to the coronavirus (Covid-19) crisis", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD Publishing, Paris, *https://doi.org/10.1787/c0ab0a96-en*.

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 2020 for Australia, the Czech Republic, Denmark, France, Israel, the Netherlands, Poland and Sweden are not available. 2020 data for Belgium are based on responses from Flanders only. The United States does not generally rely on public procurement for infrastructure projects at the federal level.

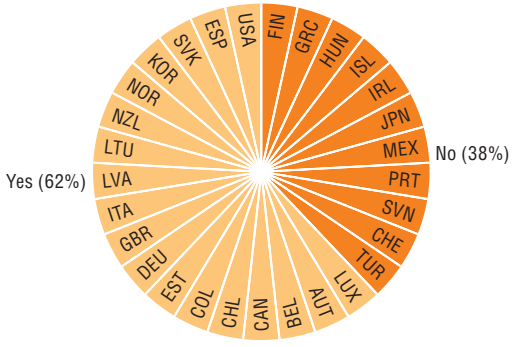
11.5. Mechanisms to help identify proposals offering the best value for money, 2020



Source: OECD (2020), *Survey on the Governance of Infrastructure*.

StatLink https://doi.org/10.1787/888934258933

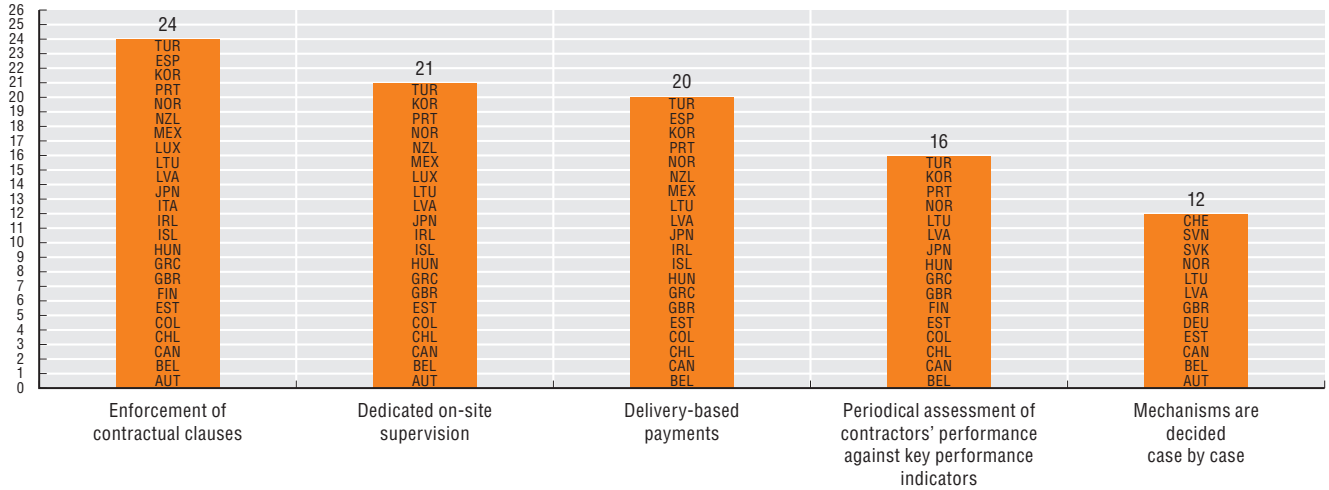
11.6. Adoption of risk management activities that cover the entire infrastructure procurement life cycle, 2020



Source: OECD (2020), *Survey on the Governance of Infrastructure*.

StatLink https://doi.org/10.1787/888934258952

11.7. Mechanisms employed to hold contractors accountable for project specifications and professional standards, 2020



Source: OECD (2020), *Survey on the Governance of Infrastructure*.

StatLink https://doi.org/10.1787/888934258971

Governance of critical infrastructure resilience

Natural hazards and malicious attacks against critical infrastructure systems pose grave risks to societies and economies. Recent shock events – such as the COVID-19 pandemic, Ukraine power grid cyberattack or volcanic ash cloud over Europe – illustrate how disruptions to critical infrastructure can result in cascade effects that cause substantial economic damage as well as loss of life. As the interconnectedness of supply chains and technological systems in the global economy increases, so does the vulnerability of critical infrastructure systems (e.g. those that produce and deliver electricity, gas, water and telecommunications) to shock events (OECD, 2019).

A multitude of diverse stakeholders are involved in the investment, ownership, operation and regulation of infrastructure. National strategies for critical infrastructure protection or resilience are a useful tool for governments to improve co-ordination, situation awareness and preparedness for risks across different sectors. In 2019, out of 27 OECD countries for which information is available, 24 had established such a strategy (89%). In addition, 25 out of the 27 (93%) had designated a lead institution to co-ordinate its implementation. Whether or not they had a strategy, 27 out of 30 OECD countries (90%) had established a definition of critical infrastructure in 2019, and all 32 OECD countries with available data had identified critical infrastructure sectors. Moreover, 19 out of 24 countries (79%) reported they had established national inventories of critical infrastructure assets, systems or functions (Table 11.8). These inventories confirm that a large proportion of critical infrastructure is owned or operated by the private sector (EPRS, 2021).

The design and governance of resilience measures for critical infrastructure systems is highly complex due to functional interdependencies across sectors. Resilience measures range from system redundancies and diversification of key suppliers, to asset hardening, back-up productive capacity, rapid recovery and adaptability. Among the 24 OECD countries with available data, only 12 (50%) have put in place positive or negative incentives of any kind for operators to invest in resilience; only 6 (25%) issue financial penalties in the case of prolonged service disruption. Only the United States has established government grant programmes for investments in infrastructure resilience (Figure 11.9).

Methodology and definitions

Data are drawn from the 2016 OECD Survey on the Governance of Critical Risks and the 2018 and 2019-20 Survey on Critical Infrastructure Resilience.

The Survey on Critical Infrastructure Resilience covered 25 OECD countries in 2019-20, and an additional 6 OECD countries in 2016. Respondents for the 2018 and 2019-20 surveys were government officials with responsibility for critical infrastructure resilience or protection at the central government level. Responses to the 2016 survey were co-ordinated by senior government officials with responsibility for disaster risk or crisis management, and included experts in critical infrastructure.

Critical infrastructure is defined in the surveys as systems, assets, facilities or networks that provide essential services for the functioning of the economy and the wellbeing of the population.

Resilience is defined as the capacity of systems to absorb a disturbance, recover from disruptions and adapt to changing conditions while retaining essentially the same function as before the disruptive shock (OECD, 2014). This definition includes the ability to withstand shocks, sustain required operations, limit the duration of service interruption, minimise recovery time, adapt to new conditions and improve systems' functionality.

Further reading

OECD (2019), "Policy toolkit on governance of critical infrastructure resilience", in *Good Governance for Critical Infrastructure Resilience*, OECD Publishing, Paris, *https://doi.org/10.1787/fc4124df-en*.

OECD (2014), *Recommendation of the Council on the Governance of Critical Risks*, OECD, *www.oecd.org/gov/risk/Critical-Risks-Recommendation.pdf*.

EPRS (2021), *European Critical Infrastructure: Revision of Directive 2008/114/EC*, European Parliamentary Research Service, *www.europarl.europa.eu/RegData/etudes/BRIE/2021/662604/EPRS_BRI(2021)662604_EN.pdf*.

Figure notes

Data for Colombia, Denmark, Lithuania and Slovenia are not available.

11.8. Data for Hungary are not available. Data for Belgium, the Czech Republic, Iceland, Italy, Mexico, New Zealand (only for sectors identified), the Slovak Republic and Turkey (only definition of critical infrastructure) are for 2018 instead of 2019.

11.9. Data for Belgium, the Czech Republic, Iceland, Italy, Latvia, Mexico and the Netherlands are not available.

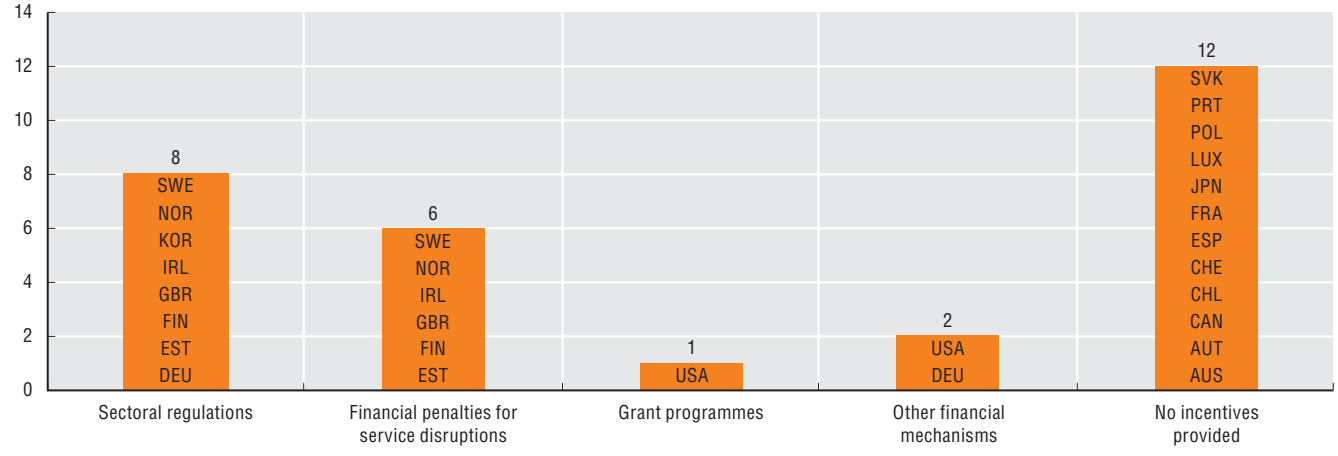
11.8. Critical infrastructure strategy, definition and national inventories, 2016 and 2019

	Critical infrastructure protection strategy		Definition of critical infrastructure	Sectors identified	Lead institution identified	National inventory of critical infrastructure assets, systems, functions or operators
	2016	2019	2019	2019	2019	2019
Australia	●	●	●	●	●	●
Austria	●	●	●	●	●	●
Belgium	...	...	●	●	●	...
Canada	●	●	●	●	●	●
Chile	...	●	❍	●	●	●
Czech Republic	...	●	●	●	●	...
Estonia	●	●	●	●	●	●
Finland	●	●	●	●	●	❍
France	●	●	●	●	●	●
Germany	●	●	●	●	●	●
Greece	...	❍	❍	●	●	❍
Iceland	...	●	...	●	...	...
Ireland	●	●	●	●	●	❍
Israel	●	●	●	●	●	●
Italy	...	❍	❍	●	❍	...
Japan	●	●	●	●	●	❍
Korea	●	●	●	●	●	●
Latvia	❍	●	●	●	●	●
Luxembourg	●	●	●	●	●	●
Mexico	...	...	●	●	...	...
Netherlands	●	●	●	●	●	●
New Zealand	...	...	●	●	...	...
Norway	❍	●	●	●	●	●
Poland	●	●	●	●	●	●
Portugal	❍	❍	●	●	❍	●
Slovak Republic	...	...	...	●	...	...
Spain	●	●	●	●	●	●
Sweden	●	●	●	●	●	❍
Switzerland	●	●	●	●	●	●
Turkey	...	...	●	●	...	...
United Kingdom	●	●	●	●	●	●
United States	●	●	●	●	●	●
OECD Total						
● Yes	19	24	27	32	25	19
❍ No	3	3	3	0	2	5
... Missing	10	5	2	0	5	8

Source: OECD (2016) *Survey on the Governance of Critical Risks*; OECD (2018 and 2019-20) *Survey on Critical Infrastructure Resilience*.

StatLink https://doi.org/10.1787/888934258990

11.9. Incentives for critical infrastructure operators to invest in critical infrastructure resilience, 2019



Source: OECD (2019-20) *Survey on Critical Infrastructure Resilience*.

StatLink https://doi.org/10.1787/888934259009

12. PUBLIC SECTOR INTEGRITY

Integrity and anti-corruption strategies

Transparency in lobbying activities

Integrity and anti-corruption strategies

The OECD Recommendation on Public Integrity states that adherents should develop a strategic approach to mitigating public integrity risks in the public sector, most notably corruption. Some countries have opted for a single national integrity or anti-corruption strategy, although strategic integrity objectives may be located in several government documents owned by various authorities.

An effective strategic approach for public integrity should be based on reliable evidence to identify key public integrity risks, developed in consultation with key stakeholders through existing government procedures for strategy development, and adequately implemented and monitored.

In 2020, out of 24 OECD countries with data available, 20 (87%) had an integrity strategy in place. Only the Czech Republic, Mexico, Portugal and the United Kingdom had taken a comprehensive approach to the whole public integrity area by setting up an inter-institutional body to analyse public integrity risks. The integrity strategies of 11 of the 20 OECD countries (55%) were not based on a thorough problem analysis and integrity risk assessment. Only 7 countries out of 20 (35%) drew on a diverse set of data sources (including surveys and administrative data) when developing their integrity strategies to target the most harmful integrity risks (Figure 12.1).

Latvia, Poland and the Slovak Republic were the only countries that published their draft integrity strategy on their public consultation portal and only 8 of the 20 strategies (40%) underwent inter-governmental and public consultation. This means that many governments have not used their established, standard mechanisms to include inputs from citizens and non-state actors, including their public consultation portals. However, 7 countries out of 20 (35%) went beyond the minimum procedures by organising an extended public consultation process for at least one strategy, for example through open town hall-style meetings or social media outreach. Only six countries included non-state actors in the working groups mandated to develop or amend strategies (Figure 12.2).

Effective integrity strategies depend on proper monitoring. Out of the 20 countries with a strategy, 7 of them (35%) had included objectives with outcome-level indicators and targets, while an additional 3 (15%) only used outcome indicators. Tracking the implementation rate of activities contributes to effective monitoring, but most countries do not have these data. Online Table G.38 shows the average implementation rate for activities related to the strategic objectives for anti-corruption and public integrity. For the ten OECD countries that monitor implementation, the average implementation rate for the planned activities needed to meet the strategy's objectives was 60%.

The indicator on "Adequacy of implementation structures and reporting" uses 15 criteria to assess whether the elements need for the implementation of the strategy and its action plan are in place. On average, OECD countries only met one-third of these criteria (Online Table G.38).

Methodology and definitions

Data were collected through a questionnaire based on the OECD Quality of Strategic Framework indicators to which 24 OECD countries and one key partner (Brazil) responded. Respondents were senior officials responsible for integrity policies in central government. This set of indicators, which form part of the OECD Public Integrity indicators, was developed to measure the OECD Recommendation on Public Integrity. This work benefits from extensive collaboration with the Task Force on Public Integrity Indicators consisting of nine members of the Working Party of Senior Public Integrity Officials.

The indicator on "Adequacy of implementation structures and reporting" includes 15 criteria covering essential components, such as a central co-ordination function responsible for implementation, monitoring, evaluation and reporting of the strategy, as well as an action plan specifying activities, indicators, targets, costs, etc.

The implementation rate of activities related to strategic objectives for public integrity is based on monitoring reports provided by national authorities. Activities that are ongoing, continuous or only partly implemented are excluded. The average rate for all strategic objectives across all strategies is presented.

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.

Primary strategic objectives are understood as formal objectives set and adopted by the government (council of ministers or equivalent) in official strategy documents or regulations that are not subordinate to any other objectives.

Further reading

OECD (2010), *Recommendation of the Council on Public Integrity*, OECD, Paris, *https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0435*.

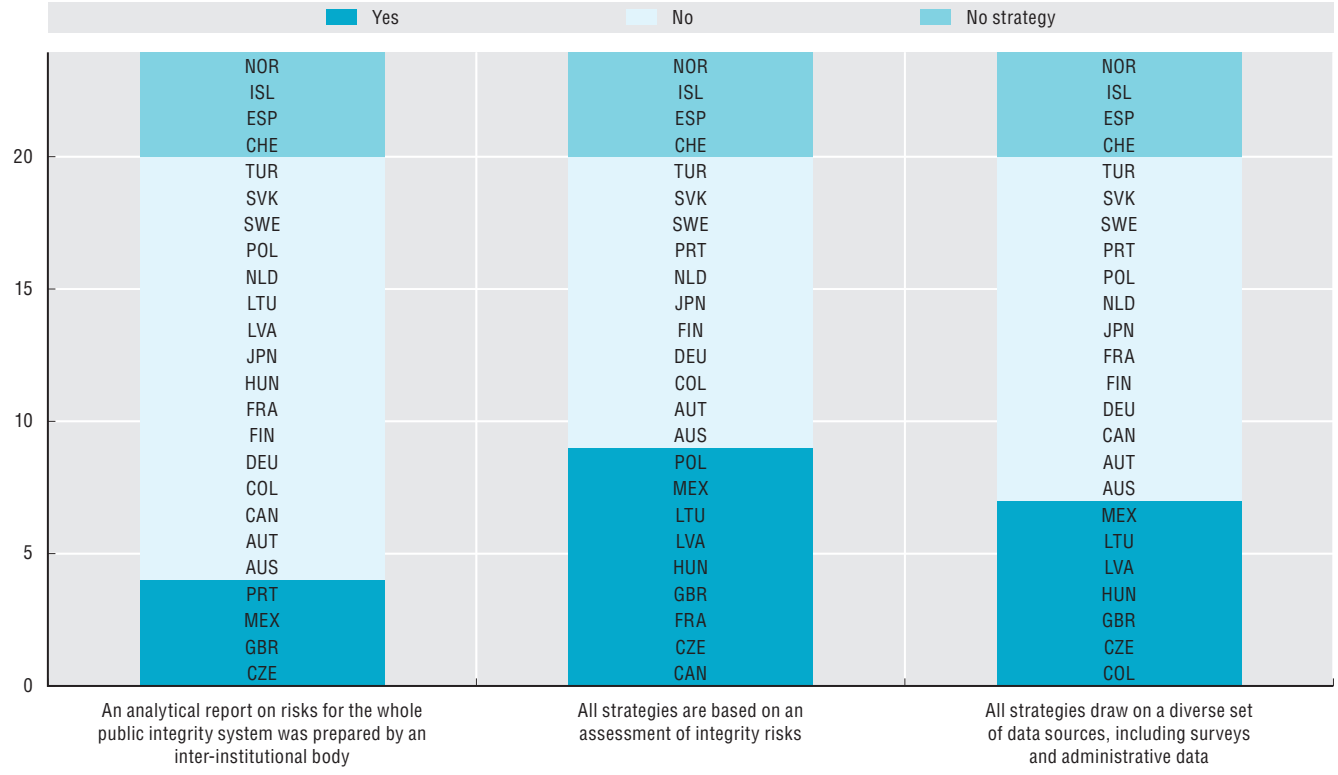
OECD (2020), *OECD Public Integrity Handbook*, OECD Publishing, Paris, *https://doi.org/10.1787/ac8ed8e8-en*.

Figure notes

Data for Belgium, Chile, Denmark, Estonia, Greece, Ireland, Israel, Italy, Korea, Luxembourg, New Zealand, Slovenia and the United States are not available.

Table G.38. (Adequacy of implementation structures and reporting, 2020) is available online in Annex G.

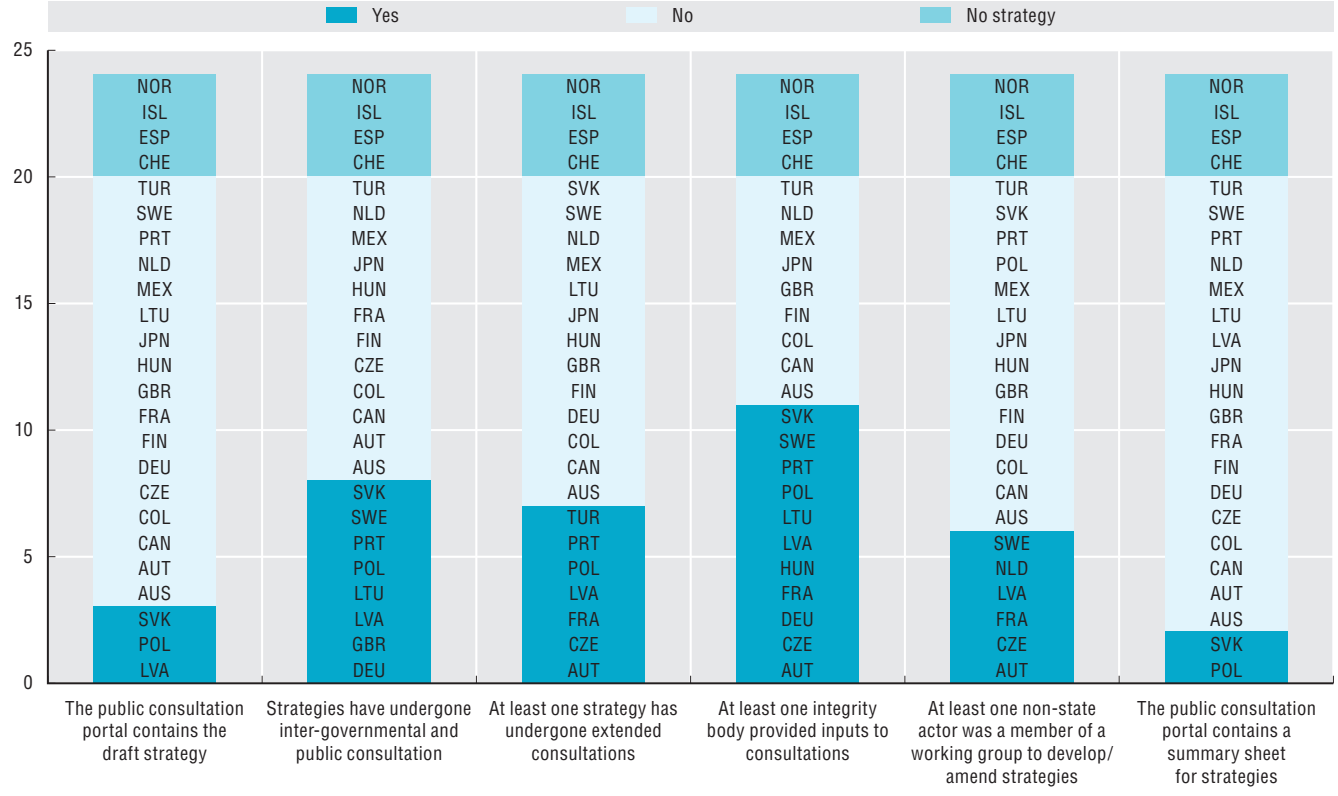
12.1. Use of evidence-based problem analysis and diagnostics when developing integrity strategies, 2020



Source: OECD (2021), *Public Integrity Indicators: Quality of Strategic Framework*.

StatLink https://doi.org/10.1787/888934259028

12.2. Inclusiveness and transparency of intergovernmental and public consultations, 2020



Source: OECD (2021), *Public Integrity Indicators: Quality of Strategic Framework*.

StatLink https://doi.org/10.1787/888934259047

Transparency in lobbying activities

Lobbying is a legitimate act of political participation. It grants all those influencing governments access to the development and implementation of public policies. This range of interests allows policy makers to learn about options and trade-offs, and ultimately decide on the best course of action on any given policy issue. However, experience has shown that policy making is not always inclusive. Lobbying may also be abused through the provision of biased evidence and the manipulation of public opinion. Public policies based on misinformation or which respond only to the needs of specific interest groups, usually those that are more financially and politically powerful, tend to be suboptimal (OECD, 2017). As such, addressing not only the type of policies needed, but also how these policies are informed and shaped by various interests, is of the utmost importance.

The OECD Recommendation on Principles for Transparency and Integrity in Lobbying (hereafter, "Lobbying Principles") states that countries "should provide an adequate degree of transparency to ensure that public officials, citizens and businesses can obtain sufficient information on lobbying activities" (OECD, 2010). Transparency can be provided through various means. Sixteen OECD countries (Australia, Austria, Canada, Chile, France, Germany, Ireland, Iceland, Italy, Lithuania, Mexico, the Netherlands, Poland, Slovenia, the United Kingdom and the United States) and Romania have public registries where lobbyists and/or public officials disclose information on their interactions. Another approach is to require certain public officials to disclose information on their meetings with lobbyists through open agendas (Spain, Romania, Slovenia and the United Kingdom). Other countries require *ex post* disclosures of how decisions were made ("legislative footprint"). Iceland, Latvia, Luxembourg and Poland have implemented such requirements (OECD, 2021).

Disclosure requirements differ depending on the level of the public official targeted by lobbying. In practice, there is limited transparency for all levels of officials: 13 out of 30 OECD countries (43%), plus Romania, provide information on lobbying activities aimed at ministers, cabinet members, and 14 OECD countries also include members of parliament. Only 10 OECD countries (33%) and Romania provide transparency over activities targeting appointed public officials, while 10 (33%) and Romania provide information on activities targeting senior civil servants (Table 12.3).

In addition, 17 out of the 31 OECD countries (55%) and Romania identify the beneficiary of lobbying activities (Figure 12.4). Although the Lobbying Principles explicitly state that disclosures should include the objective of the lobbying activity, much of the information needed for public scrutiny is missing. Only eight OECD countries have transparency tools that enable stakeholders to identify the specific piece of legislation, regulation or decision that was the target of lobbying activities (Figure 12.5).

Methodology and definitions

Lobbying is the act of lawfully attempting to influence the design, implementation, execution and evaluation of public policies and regulations administered by executive, legislative or judicial public officials at the local, regional or national level.

The 2020 OECD Survey on Lobbying used three questionnaires that took stock of regulations and collected experiences from public officials from the executive and legislative branches, as well as lobbyists.

Respondents to the survey for public officials in the executive branch were country delegates responsible for integrity policies and/or lobbying-related rules in central government. A total of 29 OECD member countries completed the survey. Italy responded to selected questions and the United Kingdom provided information through written procedure. Brazil, Costa Rica and Romania also completed the survey. Responses were complemented by desk research by the OECD Secretariat as part of the 2021 report monitoring the implementation of the Lobbying Principles.

Further reading

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

OECD (2017), *Preventing Policy Capture: Integrity in Public Decision Making*, OECD Publishing, Paris, *https://dx.doi.org/10.1787/9789264065239-en*.

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

Figure notes

Data for Belgium, Colombia, Estonia, Israel, Japan, and New Zealand are not available.

12.3. Data for Austria are not available. Hungary and Latvia require employees in the public administration to disclose meetings with lobbyists to their superior. In Hungary, the information is not made public; Latvia publishes information only if the lobbyist's point of view was taken into account in a specific decision. Luxembourg's parliament has rules on lobbying but transparency is strictly limited to contributions from lobbyists made during parliamentary commissions.

12.4. The information disclosed must allow the identification of the organisation that is the beneficiary of lobbying activities (in-house lobbyists disclose the name of their employers and lobbyists representing third parties disclose the names of the organisations they represent).

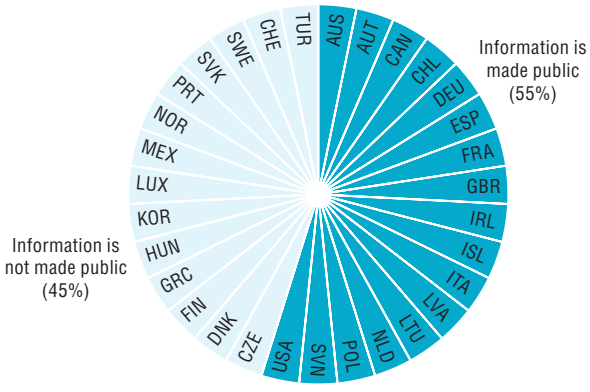
12.3. Categories of public officials for which countries make public their engagement with lobbyists, 2020

	Public officials and institutions targeted by lobbying activities				
	Ministers and/or members of cabinet	Members of legislative bodies and their staff	Appointed public officials (e.g. political advisors)	Certain senior civil servants	All civil servants within a targeted organisation
Australia	●	❍	●	●	●
Canada	●	●	●	●	❍
Switzerland	❍	❍	❍	❍	❍
Chile	●	●	●	●	❍
Czech Republic	❍	❍	❍	❍	❍
Germany	●	●	❍	●	❍
Denmark	❍	❍	❍	❍	❍
Spain	●	●	❍	❍	❍
Finland	❍	❍	❍	❍	❍
France	●	●	●	●	❍
United Kingdom	●	❍	●	❍	❍
Greece	❍	❍	❍	❍	❍
Hungary	❍	❍	❍	❍	❍
Ireland	●	●	●	●	❍
Iceland	●	❍	●	❍	❍
Italy	❍	●	❍	❍	❍
Korea	❍	❍	❍	❍	❍
Lithuania	●	●	●	●	❍
Luxembourg	❍	●	❍	❍	❍
Latvia	❍	❍	❍	●	●
Mexico	❍	●	❍	❍	❍
Netherlands	❍	●	❍	❍	❍
Norway	❍	❍	❍	❍	❍
Poland	●	●	❍	❍	❍
Portugal	❍	❍	❍	❍	❍
Slovenia	●	●	●	●	●
Sweden	❍	❍	❍	❍	❍
Slovak Republic	❍	❍	❍	❍	❍
Turkey	❍	❍	❍	❍	❍
United States	●	●	●	●	❍
OECD Total					
● Yes	13	14	10	10	3
❍ No	17	16	20	20	27
Brazil	❍	❍	❍	❍	❍
Costa Rica	❍	❍	❍	❍	❍
Romania	●	❍	●	●	❍

Source: OECD (2020), *Survey on Lobbying*.

StatLink https://doi.org/10.1787/888934259066

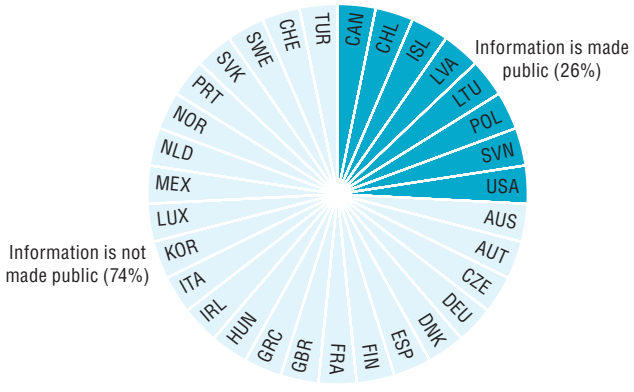
12.4. Transparency on who is lobbying, 2020



Source: OECD (2020), *Survey on Lobbying*.

StatLink https://doi.org/10.1787/888934259085

12.5. Transparency on the specific pieces of legislation, proposals, regulations, or decision targeted by lobbying activities, 2020



Source: OECD (2020), *Survey on Lobbying*.

StatLink https://doi.org/10.1787/888934259104

13. CORE GOVERNMENT RESULTS

Trust in public institutions

Internal and external political efficacy

Income redistribution

Rule of law

Cost effectiveness

Trust in public institutions

People's trust in government is a common indicator of public administrations' performance and a measure of how well democracies are functioning. During the COVID-19 pandemic, for example, trust was found to be strongly correlated with compliance with measures designed to flatten the infection curve in European countries (Bargain and Aminjonov, 2020).

According to the Gallup World Poll (GWP), in 2020, 51% of people in OECD countries trusted their government, a 6.3 percentage point increase from 2007 and a 6 p.p. increase from 2019 (OECD, 2019).The greatest increases were in Iceland (35 p.p.) and Germany (30 p.p.) while trust fell most steeply in Belgium (31 p.p.) and Chile (28 p.p.) (Figure 13.1). There are also differences in some countries by age (see Online Figure G.39). The average increase in trust should be viewed with caution as most data were collected during the first wave of the COVID-19 pandemic and could reflect the so-called "rallying around the flag" effect. This effect predicts an increase in trust during sudden crises as people rally behind leaders and institutions, and temporarily pay less attention to other policy issues.

In 18 of 22 OECD countries surveyed, average trust levels fell between April/May and June/July 2020 indicating that any rallying effect was fading away. On a scale of 1-10, trust in government averaged 5.23 in April/May and 4.77 in June/July, although trust increased in Spain (by 0.5 points), France (0.4) and Luxembourg (0.3) and remained unchanged in Slovenia (Figure 13.2).

Metrics of trust in government provide signals of people's relationship with their institutions and the state of public affairs in countries, but they remain highly aggregated and could be influenced by a wide array of factors and circumstances. The joint European Values Study (EVS) and World Values Survey (WVS), fielded in most OECD countries in 2018, includes questions about trust in several institutions including the core measures suggested by the OECD guidelines (OECD, 2017). On average, 72% of the population trust the police, 49% trust the civil service, 37% trust the government and about one-third trust their national parliaments. With trust levels of 60% or more for all institutions, Norway has consistently the highest levels while in Colombia and Mexico trust is relatively low across the board. The widest gaps between the civil service and the government are in Greece (30 p.p.), Iceland (29 p.p.), Spain and the United Kingdom (26 p.p. each) (Figure 13.3).

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 GWP uses a representative sample of about 1 000 citizens in most countries. Eurofound's e-survey, Living, Working and COVID-19, was conducted in April, when most surveyed countries were in lockdown, and in July, when society was slowly re-opening. After adjustment, the sample is representative of the demographic profile of the country. Although large segments of the population have access to the Internet, those without were by default excluded from the sample. The EVS and the WVS are two large-scale, cross-national and longitudinal surveys. EVS covers European countries. WVS covers countries outside Europe. The usual sample size is 1 300. Countries with greater populations and diversity apply samples of 1 500 to 5 000 while for those with populations below 2 million the sample size is 1 000.

Further reading

Bargain, O. and U. Aminjonov (2020). "Trust and compliance to public health policies in times of COVID-19", *Bordeaux Economics Working Papers* 2020-06.

OECD (2019), *Government at a Glance 2019*, OECD Publishing, Paris, *https://doi.org/10.1787/8ccf5c38-en*.

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

Figure notes

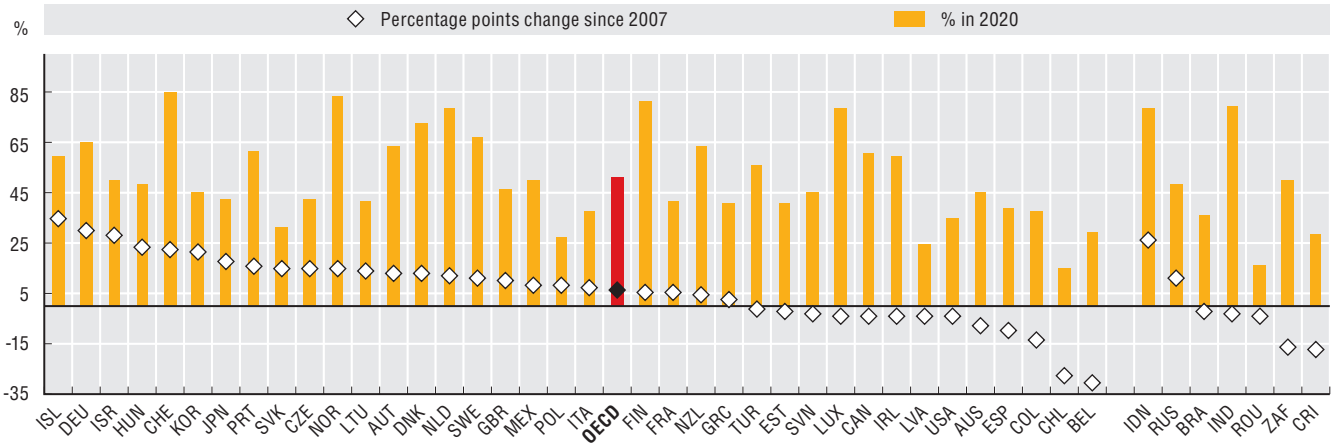
13.1. Percentage who answered "yes" to "Do you have confidence in the national government?". Data for Chile, Estonia, Greece, Hungary, India, Indonesia, Israel, Latvia, Lithuania, Mexico, Luxembourg, Costa Rica, Romania and South Africa are for 2019 rather than 2020. Data for the Czech Republic are for 2018 rather than 2020. Data for Iceland are for 2017 rather than 2020. Data for Austria, Finland, Ireland, Norway, Portugal, the Slovak Republic, Slovenia and Switzerland are for 2006 rather than 2007. Data for Iceland and Luxembourg are for 2008 rather than 2007. 2007 is used as a benchmark as the year before the global financial crisis.

13.2. Average value of the answer to "How much do you personally trust each of the following institutions?" on a scale of 1 to 10, where 1 means no trust at all, and 10 means complete trust. The reliability of the data is lower for Luxembourg and Poland.

13.3. Percentage who answered "a great deal" or "quite a lot" to "How much confidence do you have in the parliament, the civil service and the police?". Data for most European countries included in the graph are 2018. For precise information on when the EVS was fielded please refer to *https://europeanvaluesstudy.eu/methodology-data-documentation/survey-2017/*. Data for non-European countries are from the WVS. The United States data are for 2017; Australia, Chile, Colombia, Mexico and South Korea for 2018; Japan for 2019; and New Zealand for 2019-20.

G.39. (Confidence in national government by age group, 2020) is available online in Annex G.

13.1. Confidence in national government in 2020 and its change since 2007

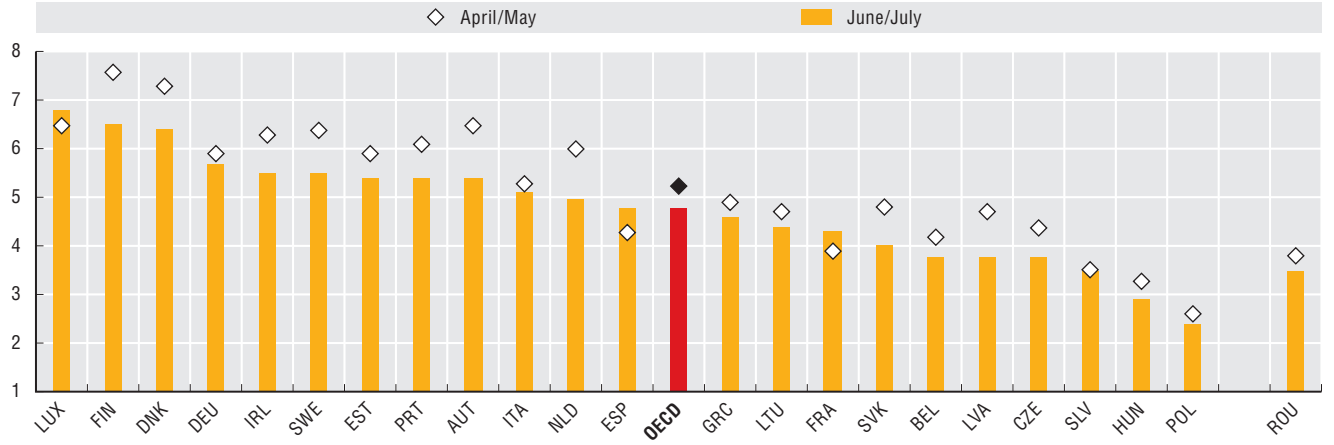


Source: Gallup World Poll, 2020.

StatLink https://doi.org/10.1787/888934259123

13.2. Trust in government during the first wave of COVID-19, 2020

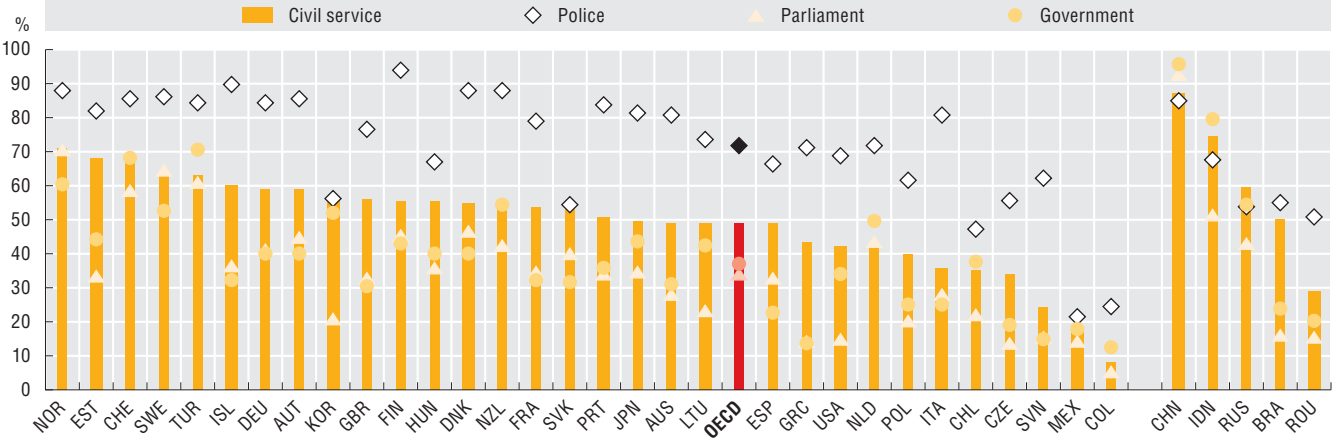
Average on a scale from 1-10



Source: Eurofound (2020), *Living, Working and COVID-19*.

StatLink https://doi.org/10.1787/888934259142

13.3. Trust in government, the civil service, the parliament and the police, 2018



Source: OECD calculations based on the World Values Survey and European Values Study, 2017-20.

StatLink https://doi.org/10.1787/888934259161

Internal and external political efficacy

Political attitudes are a key component of people's belief systems, and refer to an enduring feeling, or mental or emotional mindset, with which people approach political problems or situations. Together with trust, political efficacy is one of the most relevant indicators of the overall status of democratic systems. The more people feel able to understand politics and have their voice heard, the more likely they are to pursue democratic endeavours.

Political efficacy refers to the feeling that individual political action does have, or can have an impact upon the political process. It has two dimensions: internal efficacy, or people's self-perception of their capability to understand and participate in political processes, and external efficacy, or their feeling of having a say in what governments do.

Internal efficacy has been used broadly as a factor explaining political participation. Citizens' self-efficacy and involvement was also found to predict trust in government and parliament and satisfaction with democracy. According to data from the European Social Survey (ESS), in 2018 on average only 35% of people in 22 OECD countries reported feeling confident participating in politics. However, there is wide variation, ranging from 60% in Norway, a country with high turnout levels, to 14% in the Czech Republic, a more recent democracy. The OECD average slightly increased between 2016 and 2018 (by 2 p.p.). The greatest increase was in Poland (5.2 p.p) and the Netherlands (4.6 p.p.), while the steepest declines were in Hungary (6.3 p.p) and France (2.9 p.p) (Figure 13.4).

External efficacy is critical for the legitimacy of public institutions, as it measures whether people believe the system is responsive to their demands. Data from the ESS and the World Values Survey (WVS) show that on average less than half of the population (40%) in 26 OECD countries believe the political system in their countries allows people like them to have a say in what the government does, 1.7 percentage points higher than in 2016. Countries vary widely, however, ranging from about 74% in Switzerland to about 15% in Italy. Between 2016 and 2018 the percentage of people who perceived they had a say in their government's actions increased the most in Poland (11.2 percentage points), which experienced a change of government after eight years, and Estonia (10.7 p.p.). Conversely, external efficacy levels fell the most in the United Kingdom (4.6 p.p.) and Germany (2.5 p.p.) (Figure 13.5).

External efficacy is closely associated with satisfaction with democracy and trust in public institutions (González, 2020). Low or falling levels of system responsiveness could lead to perceptions that the system works in the interests of a few, fuelling disenchantment and political cynicism. Indeed, according to the ESS data for 22 OECD countries, there is a strong and positive correlation between external efficacy and satisfaction with democracy. Countries with the greatest levels of external efficacy are the ones where most of the population report feeling satisfied with the way democracy works, such as Switzerland or Norway. In contrast, in countries such as Italy, Slovenia or Latvia, low levels of external efficacy are associated also to less satisfaction with democracy overall (Figure 13.6).

Methodology and definitions

The European Social Survey (ESS) is a cross-national survey established in 2001. Every two years, face-to-face interviews are conducted, achieving a minimum effective sample size of 1 500. For smaller countries (with a population of less than 2 million), the sample is reduced to 800.

The World Value Survey (WVS) started in 1981. The 7th round of the WVS is taking place worldwide in 2017-21 and includes the same questions on external political efficacy as the ESS. Samples employed are random probability representative of the adult population. The usual sample size is 1 300. Countries with greater populations and diversity apply samples of 1 500 to 5 000 while for those with populations below 2 million the sample size is 1 000.

Further reading

González, S. (2020), "Testing the evidence, how good are public sector responsiveness measures and how to improve them?", *OECD Working Papers on Public Governance*, No. 38, OECD Publishing, Paris, *https://doi.org/10.1787/c1b10334-en*.

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

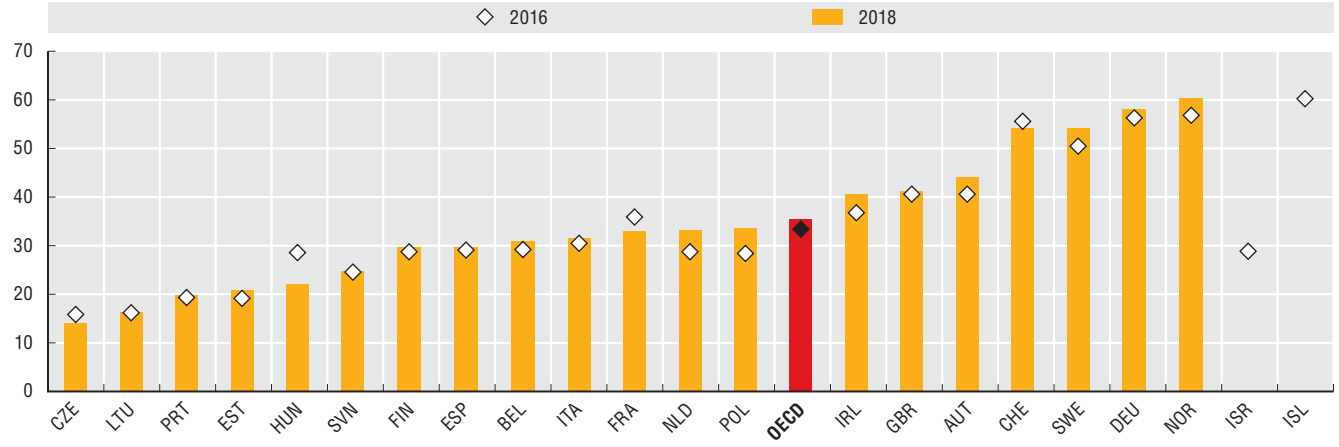
13.4. The scores for 2016 and 2018 reflect the percentage who answered "quite confident", "very confident" or "completely confident" to "How confident are you in your own ability to participate in politics?" The options "not at all confident" and "a little confident" are not shown.

13.5. The scores reflect the percentage who answered "some", "a lot" or "a great deal" to "How much would you say the political system in [country] allows people like you to have a say in what the government does?" Data for Australia, Colombia, Japan, Mexico and New Zealand are from the WVS. Averages are based in ESS data.

13.6. Data refer to the percentage who answered 5 or more on a scale of 0 (extremely dissatisfied) to 10 (extremely satisfied) to "As a whole, how satisfied are you with the way democracy works in your country?"

13.4. People's confidence to participate in politics, 2016 and 2018

% of the population

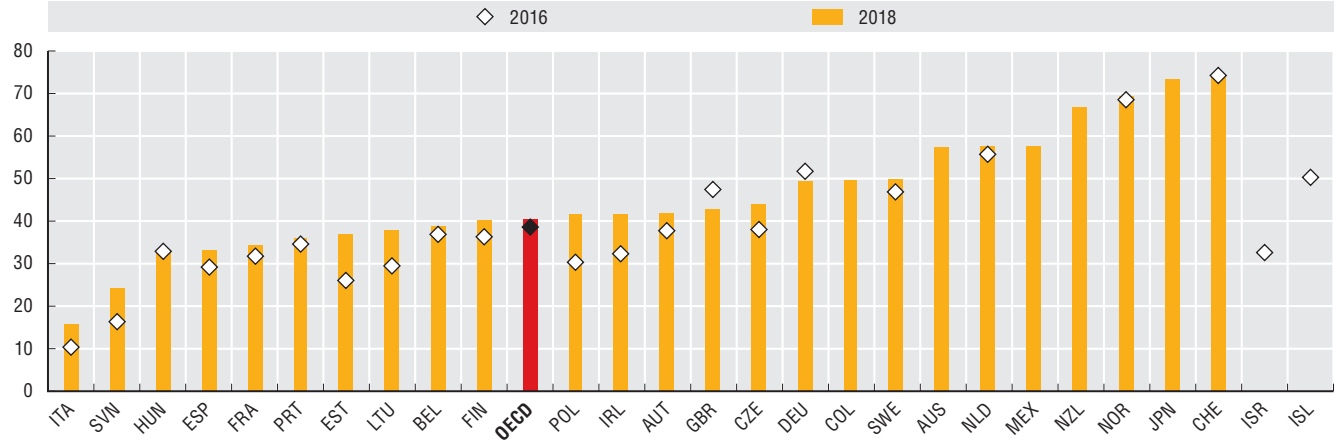


Source: OECD calculations based on Rounds 8 and 9 of the European Social Survey.

StatLink https://doi.org/10.1787/888934259180

13.5. Having a say in what the government does, 2016 and 2018 (or nearest year)

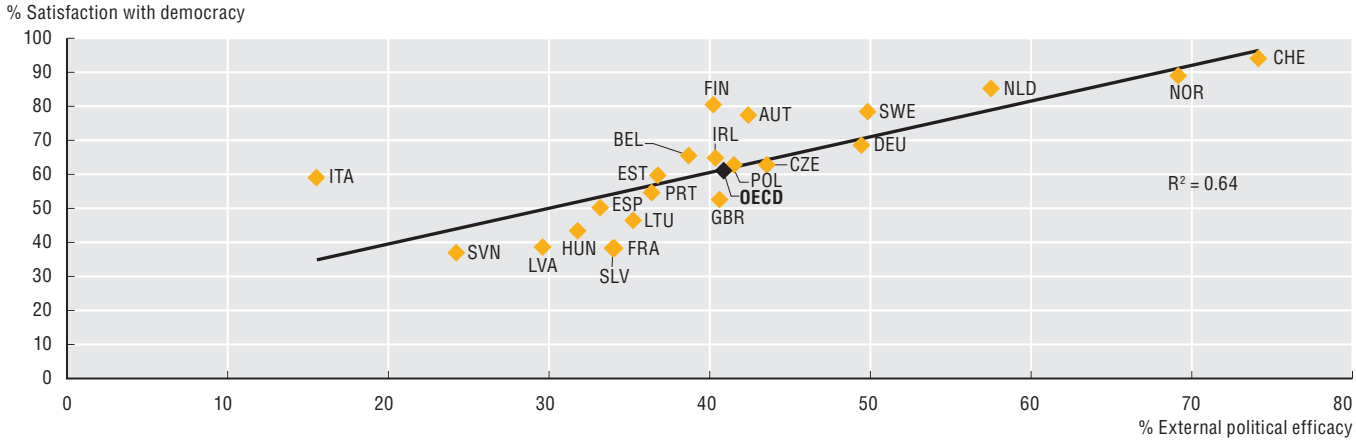
% of the population



Source: OECD calculations based on Rounds 8 and 9 of the European Social Survey and the 2017-20 round of the World Values Survey.

StatLink https://doi.org/10.1787/888934259199

13.6. External political efficacy and satisfaction with democracy, 2018



Source: OECD calculations based on Round 9 of the European Social Survey.

StatLink https://doi.org/10.1787/888934259218

Income redistribution

Income inequality has a profound impact not only on individuals' and families' living conditions and their health status, but also on societies as a whole by threatening social cohesion, curbing economic growth and weakening trust in institutions. Most OECD member countries have adopted a mixture of public policies to reduce income inequality in society and its long-term effect on economic progress. These include social protection and insurance systems financed through a combination of cash transfers and progressive income taxes. They have also used specific fiscal stimulus packages to boost demand and cushion poorer households from the impact of crises such as the COVID-19 pandemic. These measures, aimed at addressing income inequality by redistributing income between rich and poor, but also between generations, could also provide support to age groups in greater need. Finally, other elements, such as wealth taxation, could also increase the effectiveness of redistributive policies (Kuypers et al., 2021).

In 2018, average income inequality among the working-age population of OECD countries, as measured by the Gini coefficient, was 0.41 before taxes and transfers, and 0.31 after government intervention in the form of taxes and transfers (on a scale where 0 represents perfect equality and 1 perfect inequality). Redistribution levels are the highest in countries with consolidated welfare states, such as Ireland (39% difference in Gini before and after taxes and transfers), Belgium (38%) and Finland (36%). At the other end of the spectrum, Chile (5%) has the lowest level of income redistribution after government intervention (Figure 13.7).

Among OECD countries with available information, the Gini coefficient after taxes and transfers remained practically unchanged between 2012 and 2018. However, the average hides significant changes in some countries. For example, inequality fell significantly in Estonia (6.5 points), Greece (3.2) and Portugal (2.8), while it increased slightly in Switzerland (1.7 points), Denmark (1.6) and Finland (1.5) (Figure 13.8).

In 2018, 11.2% of the population in OECD countries could be considered poor in terms of relative income poverty after taxes and transfers. The figures range from over 17% in the United States and Latvia to less than 6% in Iceland. Between 2012 and 2018 relative income poverty increased the most in Latvia (4.2 p.p.) Germany (2 p.p.) and the Netherlands (1.4 p.p.) while it decreased most significantly in Greece (2.8 p.p.), Portugal (2.6 p.p.) and Mexico (2.30 p.p.) (Figure 13.9).

Methodology and definitions

Data are drawn from the OECD Income Distribution Database (*oe.cd/idd*) consulted on 1 March 2021. The Gini coefficient is a standard measure of inequality representing the income distribution of the population within a given country. It takes the value of 0 when all households have identical income and 1 when one household has all the income. Redistribution of income is measured by comparing Gini coefficients for household market income (i.e. total income from market sources not adjusted for public cash transfers and household taxes) and for household disposable income (i.e. net of direct government transfers and direct taxes) of the working-age population. The poverty rate after taxes and transfers is the share of people whose income falls below the poverty line, taken to be 50% of the current median equivalised disposable income of the entire population.

Further reading

Kuypers, S., F. Figari and G. Verbist (2021), "Redistribution from a joint income-wealth perspective: Results from 16 European OECD countries", *OECD Social, Employment and Migration Working Papers*, No. 257, OECD Publishing, Paris, *https://doi.org/10.1787/22103c5e-en*.

Causa, O., J. Browne and A. Vindics (2019), "Income redistribution across OECD countries: Main findings and policy implications", *OECD Economic Policy Papers*, No. 23, OECD Publishing, Paris, *https://doi.org/10.1787/3b63e61c-en*.

OECD (2016), "Income inequality remains high in the face of weak recovery", *Income Inequality Update*, November 2016, *www.oecd.org/social/OECD2016-Income-Inequality-Update.pdf*.

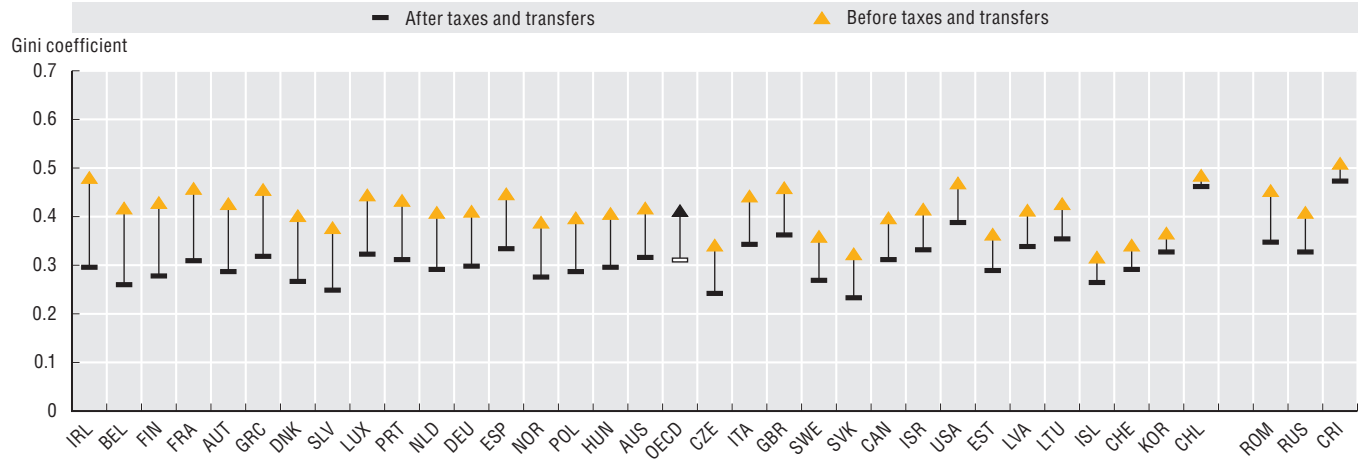
Figure notes

13.7. Countries are ranked from the highest to the lowest difference before and after taxes. All Gini coefficients are based on the 2012 new income definition and are for the working-age population, disregarding the effect of public pension schemes. Data for Chile, Denmark, Germany, Hungary, Ireland, Iceland, Switzerland and the United States are for 2017 rather than 2018. Data for the Netherlands and Russia are for 2016 rather than 2018. Data for Costa Rica are for 2019 rather than 2018.

13.8. Data for Chile, Estonia, Sweden and the United States are for 2013 rather than 2012. Data for Russia are for 2011 rather than 2012.

13.9. Data for Chile, Denmark, Germany, Hungary, Iceland, Ireland, Italy, Switzerland and the United States are for 2017 rather than 2018. Data for Mexico, the Netherlands and Romania are for 2016 rather than 2018.

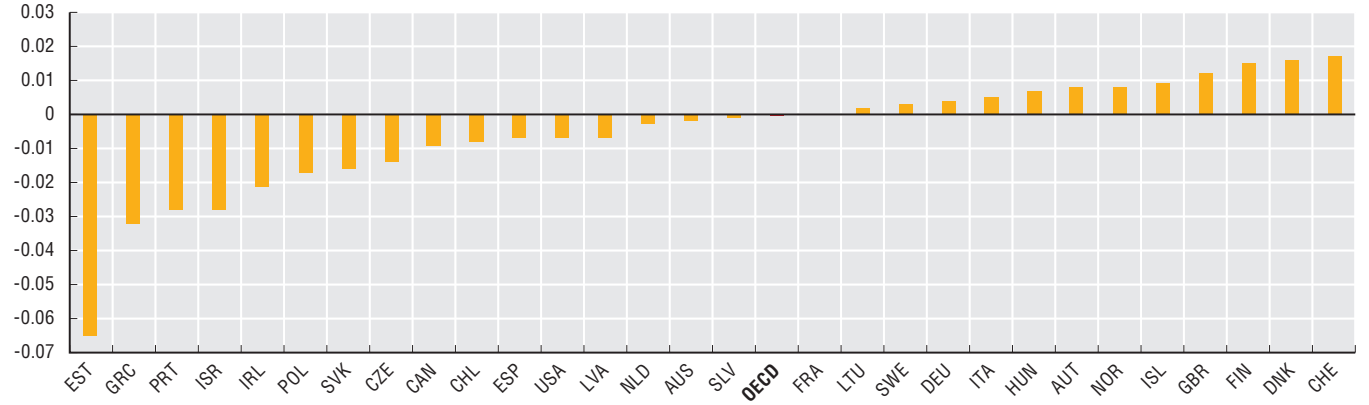
13.7. Differences in household income inequality among the working-age population pre and post-tax and government transfers, 2018



Source: OECD Income Distribution (database).

StatLink https://doi.org/10.1787/888934259237

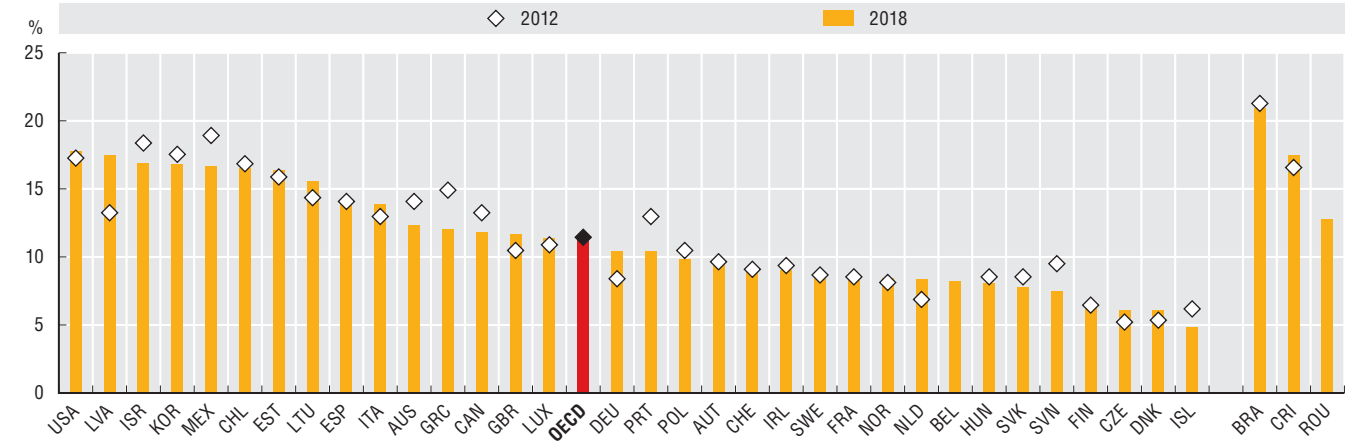
13.8. Difference after taxes and transfers in the Gini coefficient score for the working-age population, between 2012 and 2018



Source: OECD Income Distribution (database).

StatLink https://doi.org/10.1787/888934259256

13.9. Relative poverty rate after taxes and transfers, 2018 and 2012



Source: OECD Income Distribution (database).

StatLink https://doi.org/10.1787/888934259275

Rule of law

Rule of law is one of the foundations of democratic societies as it relates to the exercise of power and the relationship between individuals and the state. It refers to the idea that the same rules, standards and principles are applied to all individuals and organisations, including government itself. The rule of law requires everyone to be treated in accordance with the law, with dignity, equality and rationality, and to have the opportunity of fair procedures before independent and impartial courts (Venice Commission, 2011). A multitude of statutes, laws, codes and procedures ensure these requirements are implemented. Strengthening the rule of law is considered a priority of any governance reform, as well as a key indicator of good public governance. It is an essential prerequisite for ensuring the provision of public goods and services, economic development, maintaining peace and order, and the effective control of corruption.

The World Justice Project assesses countries' rule of law, scoring them on eight factors: 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. Scores in most OECD countries have been relatively high and stable during last decade, although the 2020 Rule of Law index, published in March 2020, reflects the situation prior to the COVID-19 outbreak and does not capture the potential impact of restrictions and emergency measures related to the pandemic (WJP, 2020).

The factor *constraints on government powers* measures whether different branches of government have the ability to exercise checks and controls on other branches (i.e. effective horizontal accountability), and whether the government is accountable to other non-governmental checks. It also assesses whether government officials are accountable and sanctioned if need be, and if the transition of power is subject to the law. The OECD average for this factor lies at 0.74 (on a scale from 0, the lowest, to 1, the highest), slightly below that in 2019 (0.76) (OECD, 2019). However, there is wide variation among countries. In Scandinavian countries, such as Denmark (0.94), Norway (0.94) and Finland (0.92), adherence to the rule of law is particularly strong for this factor, while Turkey (0.30) and Hungary (0.40) perform more weakly (Figure 13.10).

The factor *fundamental rights* focuses on respect for the core human rights that are firmly established under the United Nations 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. Similar to the previous factor, OECD countries score relatively high, reaching an average of 0.75, slightly below the average in 2019 (0.76). Variation among countries is also wide, ranging from 0.92 in Denmark to 0.32 in Turkey (Figure 13.11). Both factors are strongly and positively correlated, pointing to the fact that countries which have established checks and balances on government power also tend to guarantee fundamental rights (Figure 13.12).

The COVID-19 outbreak has meant several restrictions, mainly because of the adoption of emergency measures, including the recurrent use of exceptional government powers. These have challenged fundamental rights, the idea of legal certainty and accountability (Council of Europe, 2020). In this regard, it will be extremely important to closely monitor these factors, as well as the state of the rule of law more widely, in the aftermath of the COVID-19 pandemic crisis, to ensure that legal certainty and fundamental rights are effectively restored.

Methodology and definitions

The World Justice Project collects data via a set of questionnaires based on the Rule of Law Index's conceptual framework. The questionnaires are administered to representative samples of the general public and to legal experts who frequently interact with their national state institutions. For the general population, a probability sample of 1 000 respondents in each of the 136 countries is selected while on average 30 experts per country are surveyed. All questionnaires are administered by leading local polling companies. Data are available for 29 OECD countries as well as 1 accession country, Costa Rica, and 6 strategic partners. All variables are transformed into factors normalised to range between 0 (lowest) and 1 (highest). For more information on the variables used for building the composite index, see WJP (2020).

Further reading

Council of Europe (2020), *Respecting Democracy, Rule of Law and Human Rights in the Framework of the COVID-19 Sanitary Crisis: A Toolkit for Member States*, Council of Europe, *https://rm.coe.int/sg-inf-2020-11-respecting-democracy-rule-of-law-and-human-rights-in-th/16809e1f40*.

OECD (2019), *Government at a Glance 2019*, OECD Publishing, Paris, *https://doi.org/10.1787/8ccf5c38-en*.

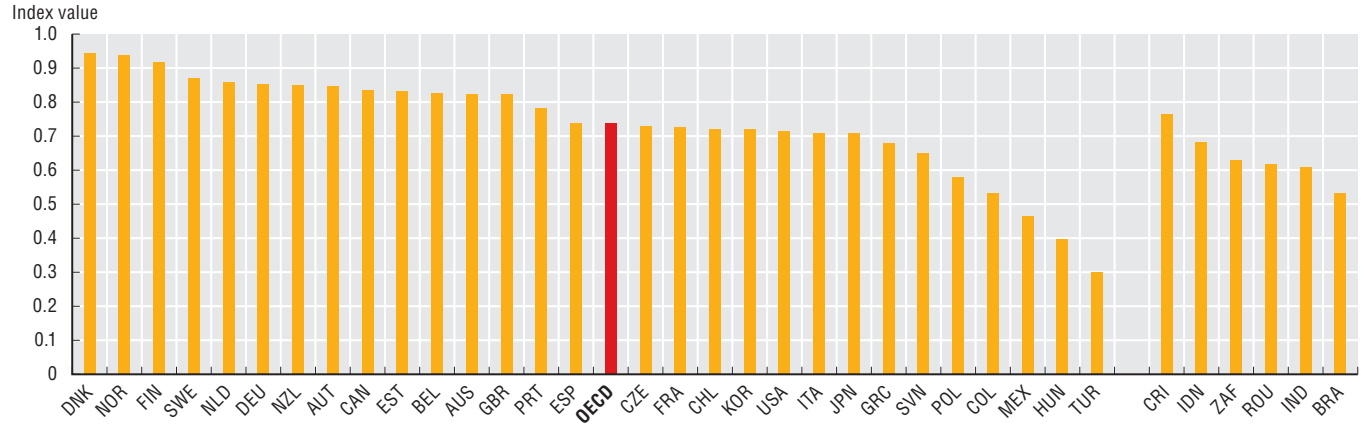
Venice Commission (2011) *Report on the Rule of Law*, Venice Commission of the Council of Europe, *www.venice.coe.int/webforms/documents/?pdf=CDL-AD(2011)003rev-e*.

WJP (2020), *Rule of Law Index 2020*, World Justice Project, Washington, DC, *https://worldjusticeproject.org/sites/default/files/documents/WJP-ROLI-2020-Online_0.pdf*.

Figure notes

Data for Iceland, Ireland, Israel, Latvia, Lithuania, Luxembourg, the Slovak Republic and Switzerland are not available.

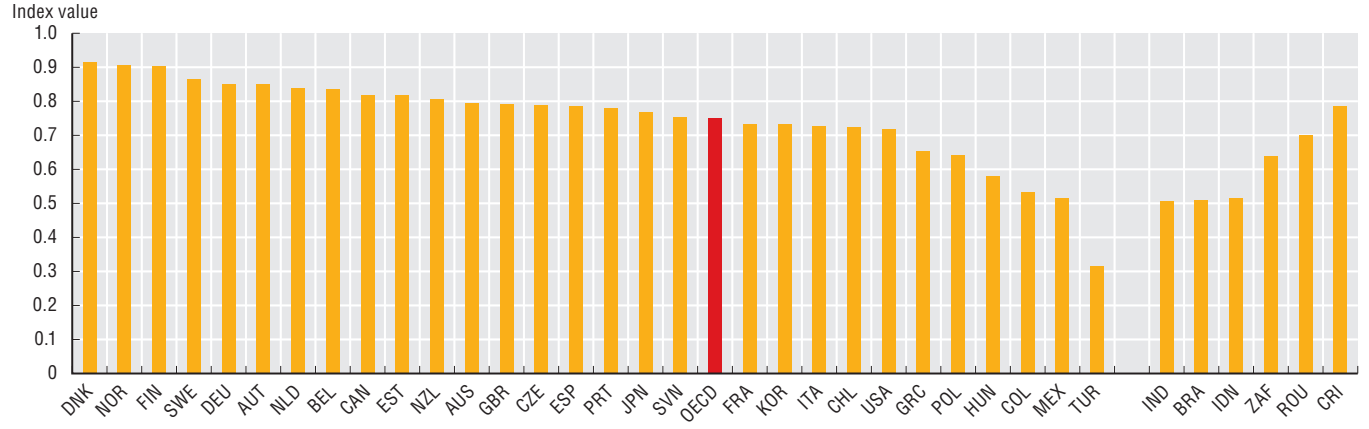
13.10. Limited government powers, 2020



Source: WJP (2020), *Rule of Law Index 2020*.

StatLink https://doi.org/10.1787/888934259294

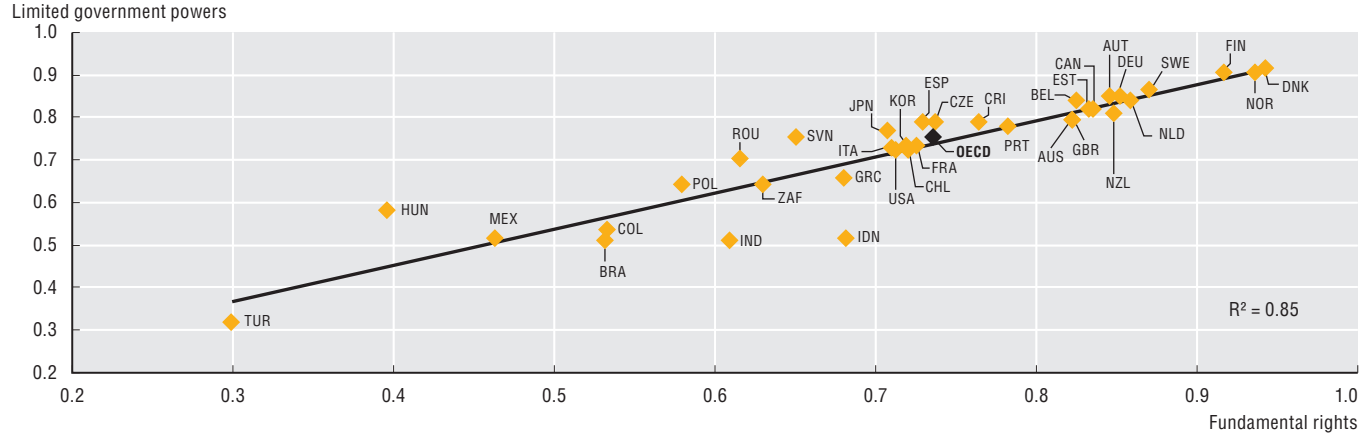
13.11. Fundamental rights, 2020



Source: WJP (2020), *Rule of Law Index 2020*.

StatLink https://doi.org/10.1787/888934259313

13.12. Limited government powers versus fundamental rights, 2020



Source: WJP (2020), *Rule of Law Index 2020*.

StatLink https://doi.org/10.1787/888934259332

Cost effectiveness

Effectiveness measures the extent to which an activity attains its desired objectives. 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 health care sectors have sufficiently well developed and internationally standardised measures of inputs and outcomes to allow their cost effectiveness to be meaningfully compared.

Health care

Health spending represents one of the largest shares of overall public spending. The constant development of new medical technologies, ageing populations in several OECD countries and the need to respond to crises such as the COVID-19 are expected to further boost future medical spending. In this context, evaluating the cost effectiveness of health systems could contribute to better targeted spending.

Health cost effectiveness is assessed by comparing countries' improvements in life expectancy (the most widely adopted and comparable outcome) to their total health expenditure per person. Life expectancy at birth can be affected by factors beyond health care activities and spending (e.g. living and working conditions, the physical environment, nutrition, and behavioural factors such as exercise, smoking and drug and alcohol consumption). Current expenditure encompasses both public and private spending; the latter is particularly high where people opt out from the system (e.g. Mexico) or where there are no comprehensive, public health schemes (e.g. the United States). Even so, there is a positive relationship between health spending and life expectancy. Some countries, such as Israel, Italy, Korea and Spain, have higher life expectancy than might be expected given their spending level. At the other end of the scale, Latvia, Lithuania and Mexico have comparatively low life expectancy for the amount they spend. Some of the factors explaining comparatively low life expectancy in Latvia and Lithuania are hazardous drinking, high exposure to air pollution and other risk factors for cardiovascular disease (OECD, 2019a). The United States also spends large amounts for the life expectancy it achieves. Privately provided health insurance in the United States tends to be expensive but other reasons such as high mortality rates from past smoking, high obesity rates and high death rates from opioid overdoses and road accidents help to explain its comparatively weak performance (Figure 13.13).

Education

Every three years, the OECD Programme for International Student Assessment (PISA) measures 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 between the ages of 6 and 15 provides an aggregate measure of the cost effectiveness of education systems.

On average, OECD countries spend about USD 100 000 PPP per student in primary and lower secondary education. Spending levels are positively correlated with PISA scores in reading, mathematics and science but the relationship is stronger at lower levels of spending and weakens as spending increases (OECD, 2019b). The effect of cumulative spending on PISA results is slightly stronger for mathematics than for reading, the two areas of knowledge considered here. Countries such as Canada, Estonia and Poland achieve comparatively high scores in view of the cumulative amount spent per student. Luxembourg, on the other hand, achieves comparatively low scores for the amount spent (Figures 13.14 and 13.15). PISA scores are also influenced by additional factors such as the amount of time students spend learning outside regular lessons (doing homework, taking additional instruction or attending private study). In addition, the family environment and wider social environment in which children grow up also influence education and its outcomes (OECD, 2020).

Methodology and definitions

Health spending measures the final consumption of health care 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 newborn 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

OECD (2019a), *Health at a Glance 2019: OECD Indicators*, OECD Publishing, Paris, *https://doi.org/10.1787/4dd50c09-en*.

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

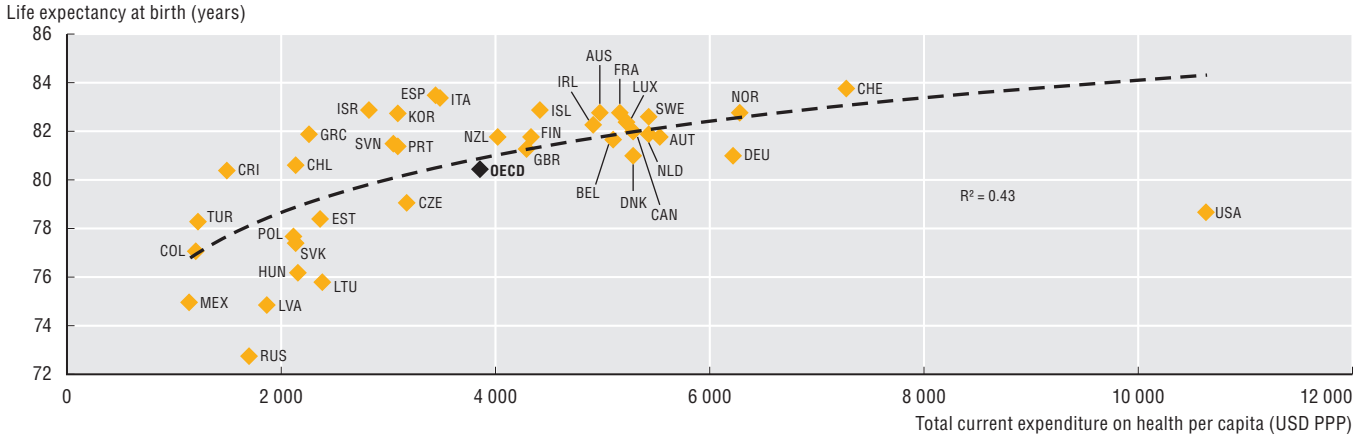
OECD (2020), *Education at a Glance 2020: OECD Indicators*, OECD Publishing, Paris, *https://doi.org/10.1787/69096873-en*.

Figure notes

13.13. Data on current expenditure were extracted from the Health Statistics database on 15 February 2021. Data for Australia are estimated. Data for Canada, Japan, New Zealand and Norway are provisional.

13.14 and 13.15. In Canada spending on primary education includes pre-primary programmes. Spending data for Colombia are for 2018 rather than 2017.

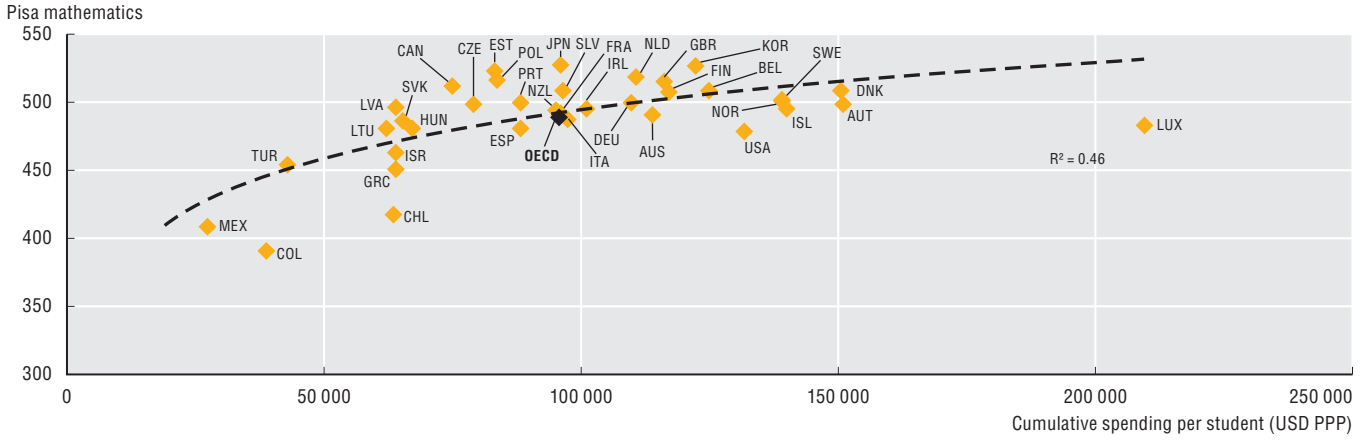
13.13. Life expectancy at birth and total current expenditure on health per capita, 2018



Source: OECD Health Statistics (database).

StatLink https://doi.org/10.1787/888934259351

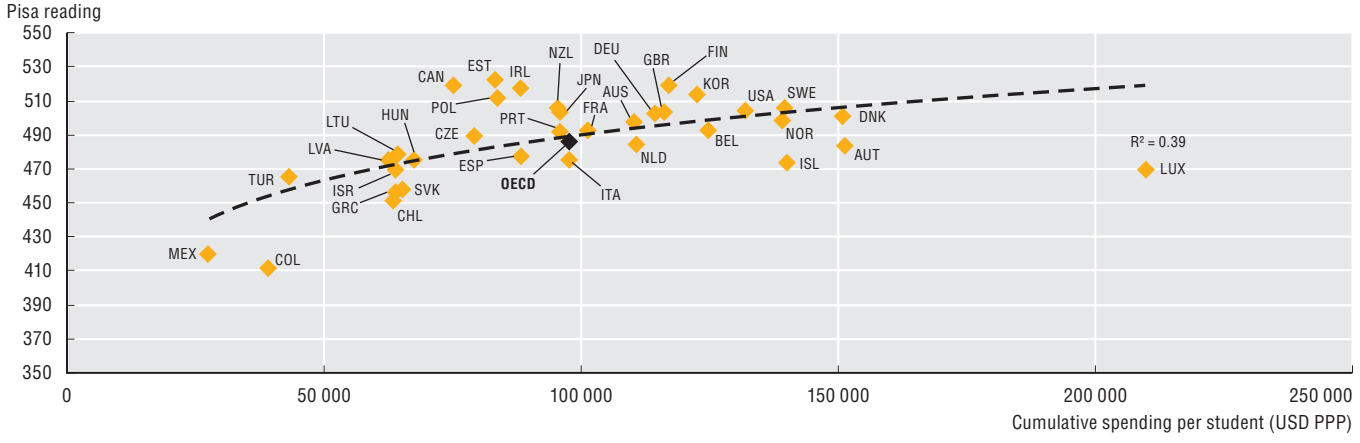
13.14. Performance in PISA (mathematics) 2018 at age 15 and cumulative expenditure per student between 6 and 15 years old, 2017



Source: OECD Education at a Glance (database).

StatLink https://doi.org/10.1787/888934259370

13.15. Performance in PISA (reading) 2018 at age 15 and cumulative expenditure per student between 6 and 15 years old, 2017



Source: OECD Education at a Glance (database).

StatLink https://doi.org/10.1787/888934259389

14. SERVING CITIZENS

Serving citizens scorecards

This chapter describes how OECD countries are performing in terms of access, responsiveness and quality of services, based on the OECD Serving Citizens Framework, which seeks to address the main determinants of satisfaction with services. The scorecards summarise key aspects of countries' services systems (access, responsiveness and quality) by displaying a subset of sector-specific measures from education, health and justice. They illustrate how the performance of 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 that differ in measurement units and the underlying phenomena they measure. As such, the scorecards do not provide a unified picture of which countries have the best overall services, nor should they be used for this purpose.

The Serving Citizens Scorecards were introduced in the 2017 Government at a Glance, and the indicators were selected by experts from the OECD on each subject. The criteria were: 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 that a higher/lower value means better/worse performance). The selected indicators intend to provide an overview of the relevant aspects for each service. For this reason, the choice of measures differs among services (e.g. school enrolment for education and health care coverage for health care are measures of access).

Table 14.1. The OECD Serving Citizens Framework

Access	Responsiveness	Quality
Affordability • *Health care coverage* • *Out-of-pocket payments as a share of total health spending* • *Percentage of people with unmet health care needs since the start of the pandemic* • *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 enrolment rates under 25* • *People can access and afford civil justice*	**Courtesy and treatment** • *Doctor often or always explains things in a way that is easy to understand*	**Effective delivery of services and outcomes** • Primary care physician and medical specialist offices using electronic medical records • *Diabetes hospital admission in adults* • *Thirty-day mortality after admission to hospital for ischaemic stroke* • *Five-year breast cancer survival rate* • *Mean PISA score in reading* • Index of cognitive adaptability • Index of self-efficacy regarding global issues • *Civil justice is effectively enforced* • *Civil justice is free from improper government influence* • Criminal adjudication system is timely and effective • *People do not resort to violence to redress personal grievances*
Geographic proximity • People receiving telephone and online health care services since the start of the pandemic • Percentage of students who have access to a computer to do homework at home	**Match of services to special needs** • *Young people (aged 15-29) years not in education, employment or training (NEET)* • *Schools where study help is provided (school staff' help and rooms)* • *Indexes of shortage of education staff and education material*	**Consistency in service delivery and outcomes** • *Share of students below level 2 proficiency in reading* • *Percentage of variance in reading score explained by socio-economic background*
Access to information • *Alternative dispute resolution mechanisms are accessible, impartial and effective*	**Timeliness** • *Same or next-day appointment with doctor or nurse the last time needed care* • *Median waiting time for cataract surgery from specialist assessment to treatment* • *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*	**Security/Safety** • Effective control of crime

Note: The indicators in italics are included in the scorecards

Scorecard interpretation

Each scorecard focuses on one dimension of the framework (access, responsiveness or quality) and compares across services (education, health 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.

Additionally, each country is ranked among those countries for which data are available, so as to provide additional information on performance (the country with the best performance is ranked number 1). If several countries have the same value for an indicator, they are assigned the same rank.

When trend data are available, arrows indicate whether countries' absolute performance has improved (↑), declined (↓) or remained stable (→). Unless specified otherwise, 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 reference year for the comparison.

Access to services

Most OECD countries have achieved universal health care coverage, either through private or public insurance schemes. Coverage has remained stable among most top performers since 2014. In Greece, the last economic crisis meant around 30% of the population lost access to care, but by 2018 the country had once more achieved universal coverage after introducing remedial legislation in 2016 to secure funding for the system and restore universal coverage. In Lithuania health care coverage increased by 6 p.p. between 2014 and 2018. The National Health Insurance Fund provides coverage for all residents of the country, subject to confirmed insurance status, so the 2% of people who are not covered may be those who lost their employment and had not made the mandatory contributions to the health care system, or people living abroad registered as residents (OECD/European Observatory, 2019). On the other hand, Mexico has seen a reduction in health care coverage from 93% in 2014 to 88% in 2018, in line with declining spending on health as a proportion of GDP (OECD, 2021).

The range of services covered by health insurance schemes and the extent to which patients have to cover expenses from their own budgets vary across OECD countries. For example, in Mexico, given the limited coverage of health care, a large proportion of health expenditure comes from citizens' pockets. However, the share of out-of-pocket (OOP) expenditure on household consumption alone does not indicate whether citizens are benefiting from access to care. During the COVID-19 pandemic, a large proportion of citizens had to forego care due to lockdown restrictions and the lack of remote alternatives, such as telemedicine. For instance, in Germany OOP spending as a share of health expenditure is in line with the OECD mean, but a larger proportion of citizens than in other countries were able to keep their doctors' appointments.

Education systems across the OECD provide universal access to education for children of compulsory school age, which varies across countries. However, access to early childhood and tertiary education depends partially on public resources made available to finance them. For instance, in Colombia, a large share of expenditure on education from primary to tertiary level comes from private sources, which results in lower enrolment rates in early childhood and primary education among 4-year-olds, and in tertiary education for those under the age of 25. In other countries, such as Finland, where there is a tracking system in place (i.e. students are assigned to classes or types of secondary education curricula according to their achievements), the relationships between public funding and enrolment rates at the two ends of the education cycle are not linear.

The high share of private funding in some countries is due to grants and transfers to individuals or private institutions. For example, the United Kingdom has achieved 100% enrolment in early childhood education because every 4-year-old is entitled to 15 hours of free care whether in public or private institutions. Chile introduced a law in 2018 that established tertiary education as a right that should be accessible for everyone without discrimination. In order to implement this law, universities can request financing from the government to provide free tertiary education, but they are not obliged to do so. Chile has achieved the highest enrolment rate under the age of 25 in the OECD. Chile's first-time tertiary enrolment rate under the age of 25 has also increased between 2013 and 2018.

In order to access justice, individuals must be aware of their rights and of the mechanisms in place to resolve their disputes, and be able to afford the costs that the process entails. Civil justice in Denmark, Germany, and the Netherlands are the most affordable and accessible for citizens, according to data from World Justice Project (WJP). Alternative dispute resolution (ADR) is a way of settling disputes outside of the courtroom. The WJP expert survey asks about the integrity of arbitrators, the costs and timeliness of ADRs, and the enforcement of settlements in commercial cases. According to these data, ADRs in Estonia, Japan, Korea and Norway are the most accessible, impartial and effective.

Responsiveness of services

Communication between health care providers and patients helps to improve patients' involvement in their own health, by allowing them to make informed decisions about the care that they receive. While a majority of patients in OECD countries with available information reported that their doctor always or often explains things in a way that they can understand, in Australia and New Zealand virtually all patients report that they experience this with their doctors.

Long waiting times can worsen patients' symptoms and reduce their satisfaction with health care. In the majority of countries with available information, the share of citizens who were not able to get an appointment on the same or the next day the last time they needed care increased between 2016 and 2020. Germany was the only country which improved

over that period, and was also the best-performing country. Some countries, like Sweden, are better at providing prompt elective surgery (such as cataract operations) than they are at providing next-day appointments with general practitioners. In others, like Australia, the opposite is true.

Responsive education systems are those that manage to keep students in education until they have acquired the necessary skills to thrive in the labour market. Across the OECD, the age when compulsory education ends ranges from 16 in Colombia to 19 in Iceland and Switzerland. Consequently, these latter countries, along with Luxembourg, the Netherlands and Sweden, have the smallest share of 15-29 year-olds who are not in employment, education or training (NEET), although the situation is improving in almost all countries. What most of these countries have in common is that they make efforts to ensure that all students can access the necessary resources to learn. School principals report that these countries supply the material resources (from infrastructure to textbooks) needed to provide instruction and, in the case of Sweden, school staff help students with their homework if necessary. In contrast, the school system in Chile is not very responsive to students' needs: despite having the highest enrolment rates in tertiary education, it has one of the highest NEET rates.

Delays in resolving judicial cases can cause plaintiffs to drop their cases, incur unnecessary costs, or dissuade them from pursuing a legal route to solve future issues. 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.

Quality of services

The provision of public services is aimed at improving citizens' quality of life and wellbeing in various areas. For example, health systems are responsible for protecting them from ill health and the judicial system has a significant role in ensuring the rule of law and the respect for human rights, making citizens feel safe. School systems are responsible for equipping students with the knowledge, skills and tools they need for their lifelong development.

The health system is responsible for preventing health problems and addressing acute or chronic health problems when they arise (i.e. treatment). For example, diabetes is a chronic condition that has well-established treatments, most of which can be delivered at the primary care level, in order to prevent unnecessary hospitalisations. Other conditions, such as ischaemic stroke and breast cancer can be treated once detected. Japan's health care system is effective in treating stroke and breast cancer, and its 30-day mortality rate following stroke hospitalisation has improved between 2007 and 2017. Other countries, such as Lithuania and Poland, are less effective in both preventing and treating health problems, although the situation is improving. Some countries, such as Korea, perform better in some of these indicators than others.

The best-performing education systems are those that combine quality and equity: Canada and Estonia have the best overall performance in Programme for International Student Assessment (PISA) reading but also the smallest share of students below proficiency level 2, and the least variation in scores explained by student's socio-economic background. In contrast, the Slovak Republic has one of the worst performances in all of these indicators.

In terms of the judicial system, the 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. In Denmark and Norway, justice systems are effective and impartial, and people resolve their disputes in a pacific manner.

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Scorecard 1. Access to services

Performance one standard deviation above (below) the mean.
Performance within one standard deviation from the mean.
Performance one standard deviation below (above) the mean.

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 (→).

	Health care					Education						Justice			
	Health care coverage		Out-of-pocket expenditure as a share of total health spending		Unmet care needs during COVID-19	Private expenditure on education (primary to tertiary)		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	→	19	↑	n.a.	34	↓	24	↑	n.a.		22	↑	11	→
Austria	2	→	20	→	4	7	↓	15	↑	15	→	9	↑	23	→
Belgium	3	→	23	→	16	8	→	4	→	7	↑	7	↑	10	→
Canada	1	→	14	→	n.a.	26	→	n.a.		n.a.		23	↑	20	→
Chile	9	→	34	↑	n.a.	35	↑	27	↑	1	↑	16	↓	21	→
Colombia	6	↓	15	↑	n.a.	31	↑	30	↑	26	↑	24	↑	25	→
Czech Republic	1	→	12	→	8	12	↑	23	↑	13	↓	18	→	9	→
Denmark	1	→	10	→	3	2	↑	2	↑	12	↓	3	↑	5	→
Estonia	8	→	28	↓	7	9	→	20	→	22	↑	8	↑	2	→
Finland	1	→	21	→	2	1	→	28	↑	20	↑	13	↑	17	→
France	2	→	1	→	9	16	→	1	→	n.a.		17	↑	6	→
Germany	2	→	7	→	1	17	→	11	↓	17	→	2	↑	8	→
Greece	1	↑	35	→	6	n.a.		n.a.		n.a.		19	↑	22	→
Hungary	10	↓	29	↑	21	19	↑	10	↑	n.a.		26	↑	28	→
Iceland	1	→	16	↑	n.a.	6	→	7	→	21	↓	n.a.		n.a.	
Ireland	1	→	6	↑	10	20	↓	1	↑	n.a.		n.a.		n.a.	
Israel	1	→	25	↑	n.a.	25	↑	3	↓	n.a.		n.a.		n.a.	
Italy	1	→	27	↓	15	14	↓	13	↓	16	↑	21	↑	26	→
Japan	1	→	8	→	n.a.	30	↓	9	→	n.a.		10	↑	3	→
Korea	1	→	33	↑	n.a.	29	↑	16		n.a.		15	↓	4	→
Latvia	1	↑	36	→	18	13	↓	17	↑	n.a.		n.a.		n.a.	
Lithuania	5	↑	32	→	20	15	→	26		6	↑	n.a.		n.a.	
Luxembourg	n.a.		2	→	12	4		8	↓	27	↓	n.a.		n.a.	
Mexico	13	↓	37	→	n.a.	22	↑	22	↑	18	↑	29	↓	29	→
Netherlands	2	→	3	→	11	23	→	12	↓	11	↑	1	→	7	→
New Zealand	1	→	9	→	n.a.	28	→	18	↓	14	↓	6	→	14	→
Norway	1	→	13	→	n.a.	3	↓	6	→	8	↑	12	↑	1	→
Poland	11	↑	24	↑	17	11	→	25	↑	3	↓	20	→	18	→
Portugal	1	→	31	↓	19	21	↑	19	↑	9	→	14	↑	12	→
Slovak Republic	7	→	22	→	5	18	↑	29	↑	24	↓	n.a.		n.a.	
Slovenia	1	→	5	↑	14	10	→	21	↑	4	↓	11	↑	19	→
Spain	1	→	26	→	15	24	↓	5	→	5	↑	5	↑	13	→
Sweden	1	→	11	↑	13	5	→	14	→	23	↑	4	↑	15	→
Switzerland	1	→	30	↓	n.a.	n.a.		32	↑	25	↑	n.a.		n.a.	
Turkey	4	→	18	→	n.a.	27	↓	33	↑	2	↑	25	↑	27	→
United Kingdom	1	→	17	↓	n.a.	33	↓	1	↑	10	↑	27	↓	16	→
United States	12	↑	4	→	n.a.	32	→	31	↑	19	↓	28	↑	24	→
Year	2018	2014	2018	2014	2020	2017	2013	2017	2013	2018	2013	2020	2016	2020	2016

Note: 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. For health care coverage countries were clustered as follows: green, 95-100% health care coverage; orange, 90-95% coverage; and red, less than 90% coverage. Data on health care coverage for Japan and the Slovak Republic are for 2017 instead of 2018. Data for Greece are for 2015 instead of 2014. Unmet care needs during COVID-19 refers to the proportion of people who reported that they forewent health care appointments or treatment since the start of the pandemic. 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. Data for private expenditure on education for Greece are from 2015. For access and affordability of civil justice and alternative dispute resolution mechanisms indicators, 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 in OOP expenditure as a share of total health spending, unmet care needs during COVID-19, and private expenditures on education, for which they are ranked in descending order.

Source: OECD (2020), *OECD Health Statistics* (database); Eurofound (2020), *Living, Working and COVID-19*; OECD (2020) *Education at a Glance* (database); World Justice Project (2020) *Rule of Law Index 2020*.

Serving citizens scorecards

Scorecard 2. Responsiveness of services

Performance one standard deviation above (below) the mean.
Performance within one standard deviation from the mean.
Performance one standard deviation below (above) the mean.

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 (→).

	Health care						Education						Justice					
	Doctor often or always explains things in a way that is easy to understand	Got same or next-day appointment with doctor last time needed care		Median waiting times for cataract surgery			NEET aged 15-29 years		Index of shortage of educational material		School staff help students with homework		Disposition time for civil and commercial litigious cases		Disposition time for civil and commercial non-litigious cases		Disposition time for administrative cases	
Australia	1	3	↓	11	↑		14	↑	3	→	3	↑	n.a.		n.a.		n.a.	
Austria	n.a.	n.a.		n.a.			8	↑	16	↓	35	↑	5	↓	7	↑	19	
Belgium	n.a.	n.a.		n.a.			16	↑	20	↑	19	↑	n.a.		n.a.		14	↑
Canada	4	9	↓	7	↓		21	↑	2	→	5	↑	n.a.		n.a.		n.a.	
Chile	n.a.	n.a.		12	↓		30	↑	13	↓	31	↑	n.a.		n.a.		n.a.	
Colombia	n.a.	n.a.		n.a.			34	↓	37	→	36	→	n.a.		n.a.		n.a.	
Czech Republic	n.a.	n.a.		n.a.			18	↑	24	↓	22	↓	7	↑	12	↑	17	→
Denmark	n.a.	n.a.		3	↑		10	→	8	↑	8	↓	12	↓	9	↓	n.a.	
Estonia	n.a.	n.a.		15	↓		17	↑	22	↓	21	↑	6	↓	10	↓	4	↑
Finland	n.a.	n.a.		12	↑		11	↑	23	→	11	↑	16	↑	8	↑	10	↑
France	2	5	↓	n.a.			25	↑	10	↑	14	↑	21	↓	16	↓	12	↑
Germany	5	1	↑	n.a.			7	↑	27	↓	25	↑	13	↓	n.a.		18	↓
Greece	n.a.	n.a.		n.a.			31	↓	35	↓	28	↓	23	↓	n.a.		21	
Hungary	n.a.	n.a.		2	↑		26	↑	32	↑	16	↑	8	↓	2	↑	2	↑
Iceland	n.a.	n.a.		n.a.			6	↑	11	↓	10	↑	n.a.		n.a.		n.a.	
Ireland	n.a.	n.a.		n.a.			23	↑	25	↑	23	↑	n.a.		n.a.		n.a.	
Israel	n.a.	n.a.		9			24	↑	28	↑	15	↑	19		n.a.		1	
Italy	n.a.	n.a.		1	↓		33	↓	29	↑	32	↑	22	→	18	↓	22	↑
Japan	n.a.	n.a.		n.a.			n.a.		36	→	n.a.		n.a.		n.a.		n.a.	
Korea	n.a.	n.a.		n.a.			n.a.		30	→	34	↓	n.a.		n.a.		n.a.	
Latvia	n.a.	n.a.		n.a.			13	↑	15	↓	13	↑	15	↑	3	↑	11	↓
Lithuania	n.a.	n.a.		n.a.			20	→	21	↑	7	↑	1	↑	1	↓	5	↑
Luxembourg	n.a.	n.a.		n.a.			3	↑	5	↑	9	↓	2	↑	n.a.		n.a.	
Mexico	n.a.	n.a.		n.a.			32	↑	33	→	30	↑	n.a.		n.a.		n.a.	
Netherlands	4	2	↓	5			2	↑	9	↑	18	↑	3	↑	5		8	↓
New Zealand	1	4	↓	10	↓		19	↑	12	↑	6	↑	n.a.		n.a.		n.a.	
Norway	5	8	↓	14	↓		5	↑	18	→	24	↑	11	→	17	↓	n.a.	
Poland	n.a.	n.a.		16	↑		22	↑	14	↓	12	↑	16	↓	4	↓	3	↑
Portugal	n.a.	n.a.		13	↓		12	↑	34	↓	17	↓	14		n.a.		23	
Slovak Republic	n.a.	n.a.		n.a.			29	→	31	↓	27	↓	9	↑	13	↑	15	↓
Slovenia	n.a.	n.a.		n.a.			9	→	17	↓	26	↑	17	↓	11	↑	16	↓
Spain	n.a.	n.a.		8	↑		28	↑	26	→	29	↑	20	↓	15	↓	13	↑
Sweden	7	10	↓	4			4	↑	6	↑	1	↑	10	↓	14	↓	6	↓
Switzerland	3	5	↓	n.a.			1	↑	7	↓	20	↑	4	↑	n.a.		9	↑
Turkey	n.a.	n.a.		n.a.			35	↑	1	↑	33	→	18	↓	6		7	↑
United Kingdom	6	6	↓	6	↓		15	↑	19	→	2	→	n.a.		n.a.		20	↓
United States	3	7	↓	n.a.			27	↑	4	↑	4	→	n.a.		n.a.		n.a.	
Year	2017	2020	2016	2019	2014		2020	2009	2018	2015	2018	2015	2018	2014	2018	2014	2018	2014

Note: The index of shortage of educational material is based on school principals' perception. For the index of shortage of educational material, an improvement implies that the country moved up two positions in the ranking and a decline implies that the country moved down two positions. Details on data for other indicators are provided in the corresponding sections.
Countries are ranked in ascending order, except in median waiting times for cataract surgery, NEET aged 15-29 years, index of shortage of education material, 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 (2016 and 2020); *OECD Health Statistics* (database); *OECD Education at a Glance* (database); OECD (2015 and 2018) *PISA* (database); CEPEJ (2020), *European Commission for the Efficiency of Justice* (database).

Scorecard 3. Quality of services

Performance one standard deviation above (below) the mean.
Performance within one standard deviation from the mean.
Performance one standard deviation below (above) the mean.

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 (→).

	Health care					Education					Justice					
	Diabetes hospitalisation		30-day mortality following stroke hospitalisation		5-year breast cancer survival rate (all stages)	PISA mean reading score		Share of students below level 2 proficiency in reading		Percentage variation of reading performance explained by socio-economic background	Civil justice is effectively enforced		Civil justice is free from improper government influence		People do not resort to violence to redress personal grievances	
Australia	21	↓	13	↑	2	12	→	15	→	12	12	→	3	→	8	→
Austria	25	↑	15	↑	16	22	→	23	→	23	7	→	6	→	5	→
Belgium	20	↑	22	↑	10	17	→	20	→	32	8	→	6	→	10	→
Canada	13	→	19	↑	5	2	→	4	↓	3	10	→	4	→	6	→
Chile	18	↑	23	↑	n.a.	34	→	34	→	21	20	→	15	→	16	→
Colombia	6	↑	14	↓	n.a.	36	↓	36	↓	27	26	→	18	→	17	→
Czech Republic	26	↑	28	↑	20	20	→	18	→	30	18	→	12	→	8	→
Denmark	14	↑	7	↑	12	13	→	7	→	11	6	→	2	→	2	→
Estonia	16	↑	25		21	1	→	1	→	1	14	→	8	→	7	→
Finland	17	↑	21	↑	6	3	→	3	↓	9	3	→	3	→	4	→
France	23	↑	17	↑	n.a.	18	→	19	→	34	11	→	10	→	12	→
Germany	28	↑	12	↑	13	15	→	17	↓	31	4	→	3	→	8	→
Greece	n.a.		n.a.		n.a.	33	→	31	→	16	25	→	16	→	13	→
Hungary	n.a.		n.a.		n.a.	26	→	27	→	36	28	→	21	↓	5	→
Iceland	1	↓	4	↑	n.a.	28	→	29	↓	2	n.a.		n.a.		n.a.	
Ireland	11	↑	20	↑	19	4	→	2	→	15	n.a.		n.a.		n.a.	
Israel	7	↑	11	↑	7	29	→	32	↓	28	n.a.		n.a.		n.a.	
Italy	2	↑	16	↑	13	25	→	22	→	8	29	→	14	→	14	→
Japan	n.a.		1	↑	3	11	↓	8	↓	6	13	↓	11	→	4	→
Korea	33	↑	2	↑	n.a.	5	→	6	→	7	9	→	13	→	6	→
Latvia	19	↑	34	↓	n.a.	24	→	21	↓	4	n.a.		n.a.		n.a.	
Lithuania	30	↑	33		24	27	→	26	→	24	n.a.		n.a.		n.a.	
Luxembourg	24	↑	24	↑	n.a.	30	↓	30	↓	35	n.a.		n.a.		n.a.	
Mexico	34	↑	n.a.		n.a.	35	→	35	→	26	27	→	20	→	18	↓
Netherlands	5	↑	8	↑	n.a.	21	↓	25	↓	13	2	→	5	→	7	→
New Zealand	22	↑	18	↑	8	8	→	12	→	22	16	→	7	→	8	→
Norway	10	↑	3	↑	9	14	↓	14	↓	5	5	→	1	→	1	→
Poland	29	↑	32	↑	22	6	→	5	→	18	23	→	19	↓	3	→
Portugal	4	↑	30	↑	8	19	→	16	→	25	24	→	10	→	6	→
Slovak Republic	31	↑	29	↑	23	32	→	33	→	33	n.a.		n.a.		n.a.	
Slovenia	15	↑	31	↑	17	16	↓	10	↓	20	19	→	17	→	1	→
Spain	3	↑	27	↑	15	n.a.		n.a.		n.a.	22	→	15	→	9	→
Sweden	12	↑	10	↑	n.a.	7	→	11	→	14	1	→	3	→	8	→
Switzerland	8	↓	9	↑	11	23	→	24	→	29	n.a.		n.a.		n.a.	
Turkey	32		5		18	31	↑	28	↑	17	21	→	22	→	15	→
United Kingdom	9	↓	26	↑	14	10	→	9	→	10	15	→	9	→	8	→
United States	27	↑	6		1	9	→	13	→	19	17	→	14	→	11	→
Year	2017	2012	2017	2007	2010-2014	2018	2015	2018	2015	2018	2020	2016	2020	2016	2020	2016

Note: For five-year breast-cancer survival rates, data for the Czech Republic and Iceland are for 2004-09 instead of 2010-14. Data for Italy, Germany, Japan, Spain, Switzerland, Turkey and the United States cover less than 100% of the national population. Level 2 proficiency in reading indicates that students are able to identify the main idea in a text of moderate length, find information based on explicit, though sometimes complex, criteria, and reflect on the purpose and form of texts when explicitly directed to do so. For the PISA mean score in reading, the share of students below level 2 proficiency in reading and the percentage variation of reading performance explained by socio-economic level, only countries for which the difference in mean scores between 2018 and 2015 is statistically significant are shown as improving/declining. For the indicators civil justice is effectively enforced, 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 in diabetes hospitalisation, 30-day mortality following stroke hospitalisation, share of students below level 2 proficiency in reading, and percentage variation in reading performance explained by socioeconomic background, for which they are ranked in descending order.
Source: OECD Health Statistics (database); OECD (2018) *PISA* (database); World Justice Project (2020) *Rule of Law Index 2020*.

Satisfaction with services

Public services such as health care, education and justice were greatly affected by the COVID-19 pandemic. The way schools, courts and hospitals operate – the frontline institutions where people have a direct experience of public services – changed dramatically in most countries due to lockdown restrictions. Teachers, physicians and judges switched to working remotely overnight while health care systems worldwide were put under stress due to the extent of the health crisis.

Most OECD countries have surveys to monitor users' satisfaction with services, although they may cover different services and questions. The Gallup World Poll regularly collects data on citizens' satisfaction with a range of public services worldwide. Although there are many contextual and cultural factors that can influence responses to opinion polls, the dataset allows citizens' perceptions to be compared over time and across OECD countries.

Satisfaction with health care averaged 71% across OECD countries in 2020, similar to 2010 levels. There are wide variations between countries, with citizens in Norway (93%), Belgium and the Netherlands (both 92%) being the most satisfied, while those in Poland (26%), Greece (38%) and Chile (39%) were the least. Finland had the largest increase in satisfaction with health care over that period (19 p.p.) while Estonia (17 p.p.) and Israel (12 p.p.) also had large increases. In comparison, Poland experienced the largest decline (22 p.p.) in satisfaction with health care (Figure 14.1).

On average, 68% of citizens in OECD countries reported being satisfied with the education system in 2020, a 1 p.p. increase since 2010. Norway (92%), Finland (87%) and Slovenia (86%) had the highest satisfaction levels and Turkey (27%), Greece (36%) and Chile (43%) the lowest. Estonia (16 p.p.) experienced the largest increase in satisfaction with education since 2010, due to efforts to increase the uptake of digital education, which facilitated the transition to online learning at the beginning of the pandemic (OECD, 2020a). Slovenia (15 p.p.) and Norway (14 p.p.) also had large increases in satisfaction, while Turkey had the largest decline, of 35 p.p. from 2010 (Figure 14.2). Not all students in Turkey had the same opportunities for remote learning during the pandemic: on average, in normal times, schools had only one computer for every four students, and a large proportion of students from disadvantaged socio-economic backgrounds did not have access to a computer at home (OECD, 2020b).

Confidence in the judiciary reached 57% on average across the OECD in 2020, which represents a 6 p.p. increase since 2010. Lithuania (35 p.p.) experienced the largest increases in confidence in the judiciary from 2010. The country has the shortest disposition times for civil and commercial cases (see the two-pager "Timeliness of civil justice systems"). Portugal (23 p.p.) and the Czech Republic (21 p.p.) also had large increases in confidence in the judiciary. Turkey saw the largest decrease in confidence in the judiciary (22 p.p.), followed by Chile (19 p.p.) (Figure 14.3).

Methodology and definitions

Data were collected by Gallup World Poll, generally based on a representative sample of 1 000 citizens in each country. For 2020, data were collected from July onwards. More information about this survey is available at *www.gallup.com/home.aspx*.

The level of satisfaction with health care/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 health care/ with the educational system or the schools?"

The level of 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?"

Further reading

OECD/European Union (2020), *Health at a Glance: Europe 2020: State of Health in the EU Cycle*, OECD Publishing, Paris, *https://doi.org/10.1787/82129230-en*.

OECD (2020a), "Education Policy Outlook in Estonia", *OECD Education Policy Perspectives*, No. 13, OECD Publishing, Paris, *https://doi.org/10.1787/9d472195-en*.

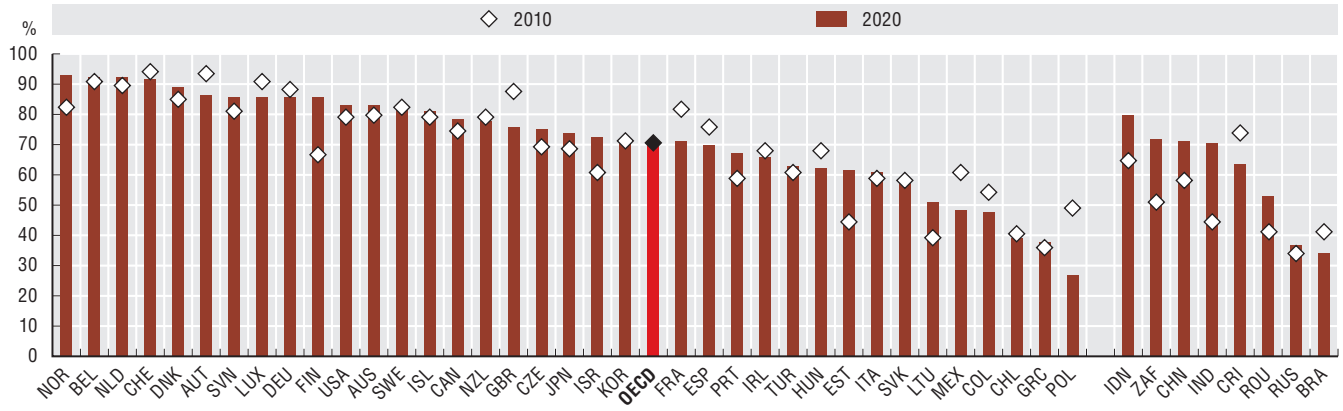
OECD (2020b), PISA 2018 *Results (Volume V): Effective Policies, Successful Schools*, PISA, OECD Publishing, Paris, *https://doi.org/10.1787/ca768d40-en*.

Figure notes

Data for Estonia are for 2011 instead of 2010. Data for Iceland, Norway and Switzerland are for 2012 instead of 2010. Data for the Czech Republic are for 2018 instead of 2020. Data for Costa Rica, Hungary, India, Indonesia, Israel, Korea, Lithuania, Luxembourg and Romania are for 2019 instead of 2020.

G.40. (Citizen confidence in the police, 2010 and 2020) is available online in Annex G.

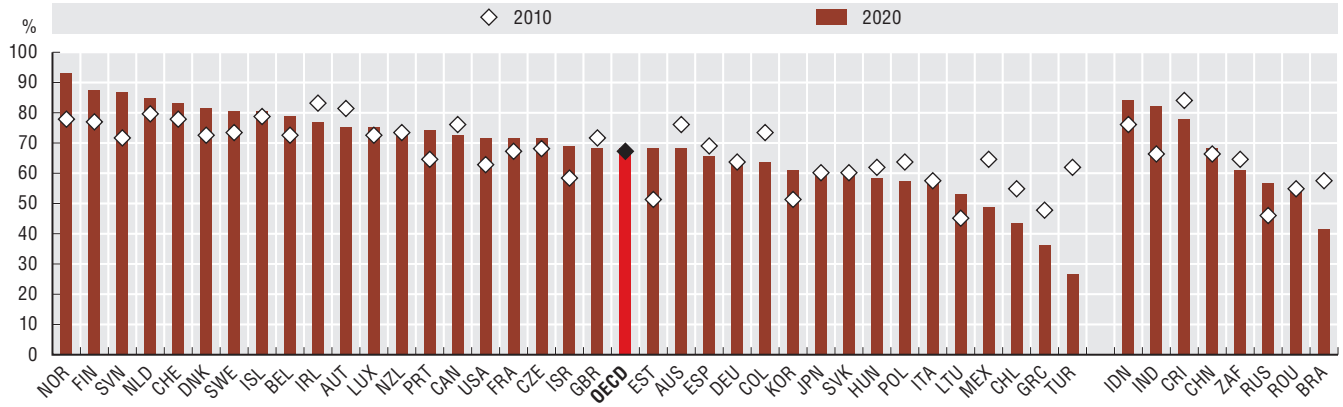
14.1. Citizen satisfaction with the health care system, 2010 and 2020



Source: Gallup World Poll 2020 (database).

StatLink https://doi.org/10.1787/888934259408

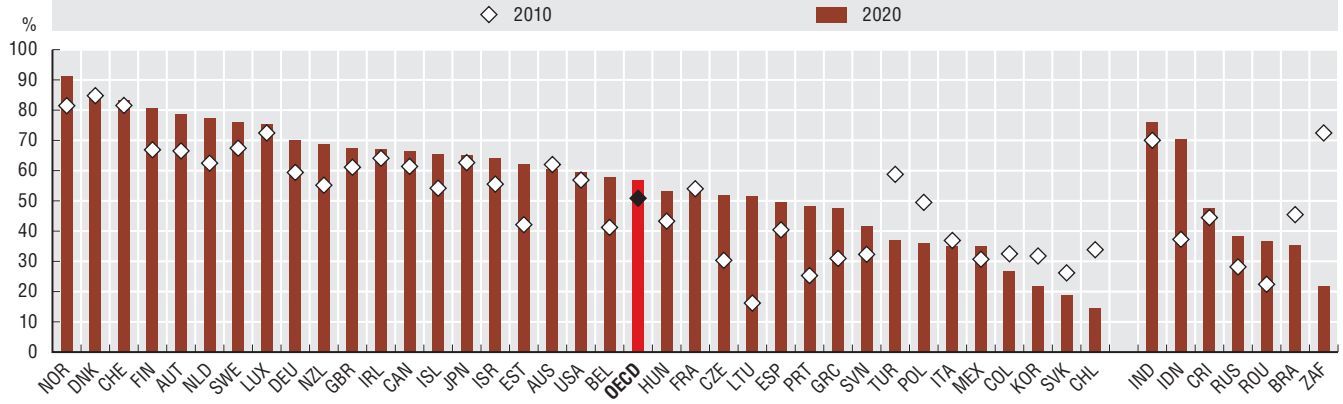
14.2. Citizen satisfaction with the education system and schools, 2010 and 2020



Source: Gallup World Poll 2020 (database).

StatLink https://doi.org/10.1787/888934259427

14.3. Citizen confidence in the judiciary system and the courts, 2010 and 2020



Source: Gallup World Poll 2020 (database).

StatLink https://doi.org/10.1787/888934259446

Access to health care

Although most OECD countries have achieved universal (or near universal) coverage for a core set of health services, which usually include consultations with doctors and hospital care, some affordability and accessibility issues can still hinder the use of health services.

High costs of treatment can hinder access to care, or cause financial hardship when using health services. The share of a country's health system financed through out-of-pocket (OOP) payments provides a broad sense of the degree of financial protection offered by a health system. In 2018, on average, 20% of total health care spending came from out-of-pocket payments, a proportion that has remained stable since 2014. France (9%), Luxembourg (10%), the Netherlands and the United States (both 11%) were the countries with the smallest share of OOP expenditure, while Mexico (41%), Latvia (39%) and Greece (36%) had the largest share. Poland has seen the largest decrease in OOP payments as a share of total health spending (-3 percentage points), although it remains slightly above the OECD average. In contrast, this proportion has remained relatively stable for most other OECD countries (Figure 14.4).

The levels of unmet medical needs increased in 2020. For example, the Commonwealth Fund International Health Policy Surveys found that, on average across 11 OECD countries, 14.5% of people experienced financial issues in accessing health care (i.e. skipped doctor visits, tests, treatments, follow-up, or prescription medicines) in 2016. In 2020, this proportion increased to 15.8% (Doty et al., 2020). According to the Eurofound Living, Working and COVID-19 survey, carried out in the summer of 2020, on average 22% of respondents had some unmet medical care needs during the first wave of the COVID-19 pandemic in OECD EU countries. People in Hungary, Lithuania (37% each), and Portugal (35%) reported the highest share of unmet needs, about three times the share in Germany, Finland and Denmark (Figure 14.5). In countries with available information, the main reason for foregoing treatment was cancelled appointments due to the pandemic (91% in Lithuania and 88% in Hungary, for instance).

Online and telephone consultations played a prominent role in providing health care during the first wave of the COVID-19 pandemic in the spring of 2020. On average, 47% of respondents in OECD EU countries received medical prescriptions (e.g. for pharmaceuticals) online or by telephone and 32% had medical consultations by those means. Hungary (66%), Italy (60%) and the Slovak Republic (57%) had the largest share of respondents receiving prescriptions online or by phone, while France (27%), Greece (28%) and Germany (31%) had the smallest. Spain (48%), Slovenia (44%) and Lithuania (41%) had the largest share of people who reported having had online or telephone consultations, and Germany (17%), France (22%) and Italy (23%) had the lowest (Figure 14.6).

Methodology and definitions

OOP payments are costs that patients cover directly from their income when medical services or treatments are not included in the collectively financed benefit package of public or private health insurance schemes or are only partially included (co-payments). They also include estimates of informal payments to health care providers in some countries.

Data on unmet care needs and access to online and telephone medical services come from Eurofound's Living, Working and COVID-19 survey, which was conducted online in two rounds, the first in April, 2020 and the second in July, 2020. The survey covered 27 EU member countries, and collected 87 477 responses, using a non-probability (snowball) sampling method and then weighted according to the characteristics of the population (age, gender, education and self-defined urbanisation level).

Further reading

Doty, M. et al. (2020), "Income-related inequalities in affordability and access to primary care in eleven high-income countries", Commonwealth Fund website, *www.commonwealthfund.org/publications/surveys/2020/dec/2020-international-survey-income-related-inequalities*.

Eurofound (2020), *Living, Working and COVID-19*, COVID-19 Series, Publications Office of the European Union, Luxembourg, *www.eurofound.europa.eu/publications/report/2020/living-working-and-covid-19*.

OECD/European Union (2020), *Health at a Glance: Europe 2020: State of Health in the EU Cycle*, OECD Publishing, Paris, *https://doi.org/10.1787/82129230-en*.

Oliveira Hashiguchi, T. (2020), "Bringing health care to the patient: An overview of the use of telemedicine in OECD countries", *OECD Health Working Papers*, No. 116, OECD Publishing, Paris, *https://doi.org/10.1787/8e56ede7-en*.

Figure notes

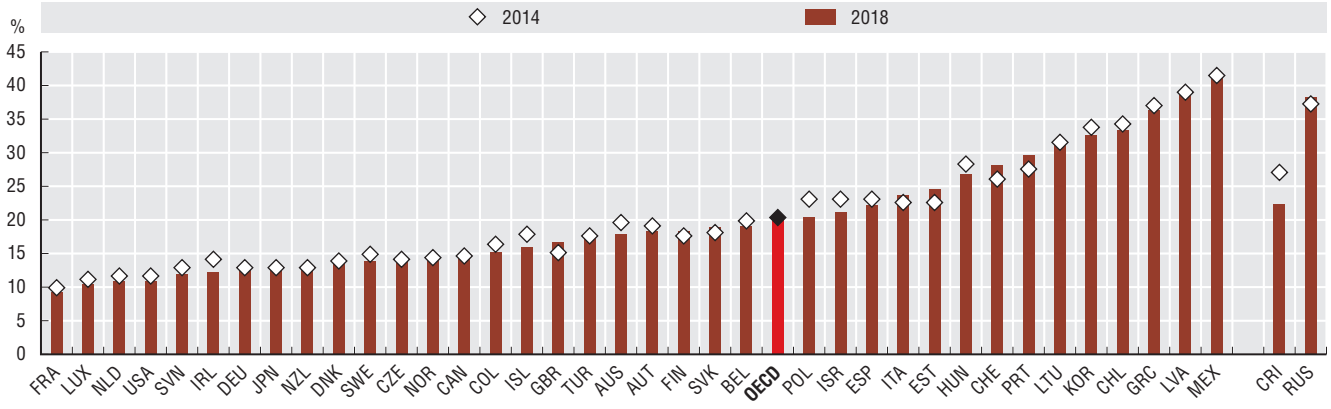
14.4. Data for Australia are for 2017 instead of 2018. Countries are listed in ascending order from the lowest to the highest share of voluntary and OOP payments.

14.5 and 14.6 only cover OECD EU countries.

14.5. The data on unmet care needs show the percentage who answered yes to "Since the pandemic began, did you need a medical examination or treatment that you have not received?".

14.6. Percentage who answered "yes" to "Since the pandemic began, have you received any of the following services from a doctor?"

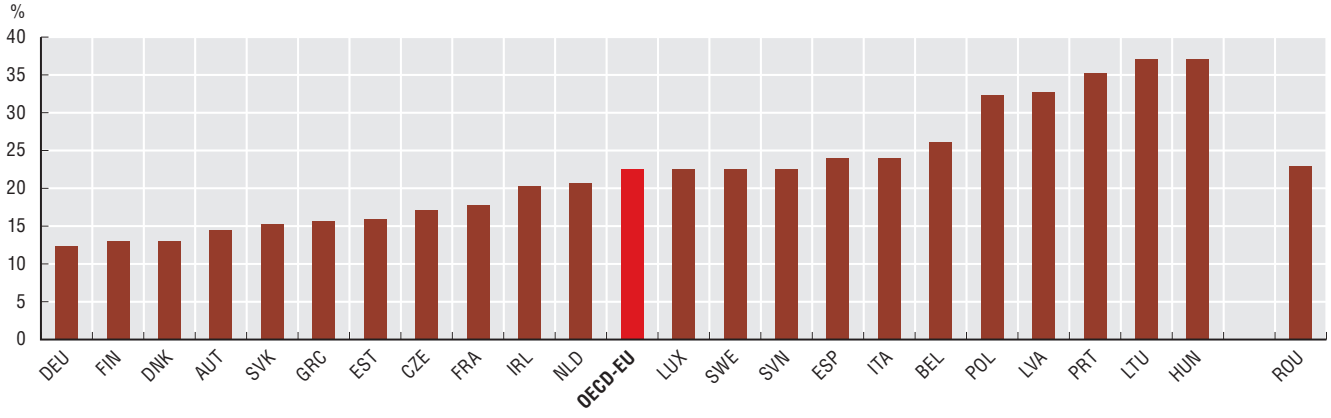
14.4. Out-of-pocket payments as a share of total health spending, 2014 and 2018



Source: OECD (2020) *Health Statistics* (database).

StatLink https://doi.org/10.1787/888934259465

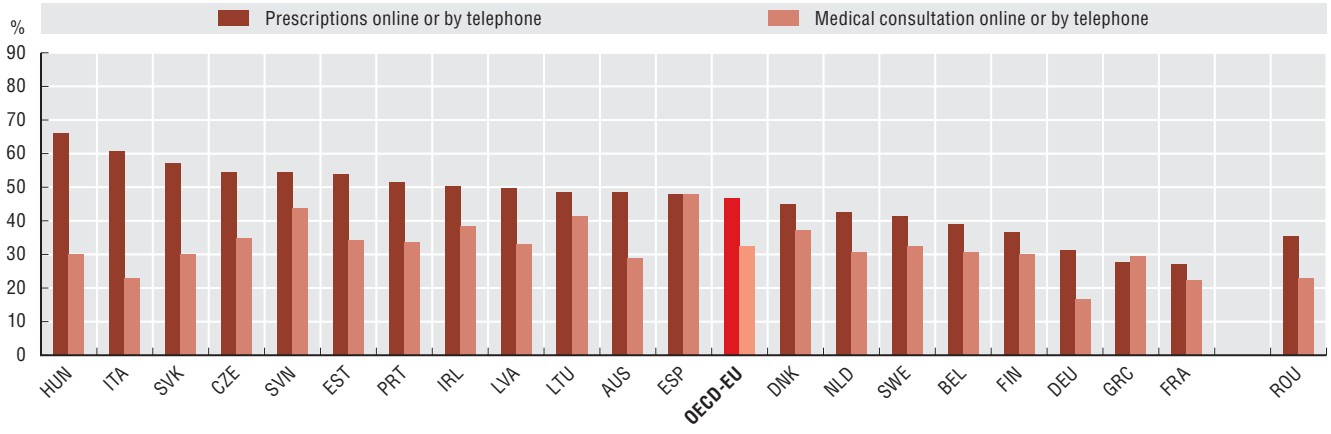
14.5. Percentage of people who forewent health care needs since the start of the pandemic, 2020



Source: Eurofound (2020), *Living, Working and COVID-19*.

StatLink https://doi.org/10.1787/888934259484

14.6. People receiving telephone and online health care services since the start of the pandemic, 2020



Source: Eurofound (2020), *Living, Working and COVID-19*.

StatLink https://doi.org/10.1787/888934259503

Access to education

Education systems in OECD countries ensure universal access to primary and secondary education. Yet, more people than ever before are participating in educational programmes beyond compulsory education, and many governments are having difficulties in financing such demand through public funds alone (OECD, 2020).

In 2017, across the OECD, 17% of funds for pre-primary and 29% for tertiary education came from private (i.e. all non-government sources) sources. The share was just 10% for primary, secondary and post-secondary non-tertiary education levels (including vocational training). Luxembourg (2%), Belgium (3%) and Latvia (4%) have the smallest shares of private funding for pre-primary education, while Australia (34%), the United Kingdom (41%) and Japan (49%) have the largest. For primary to post-secondary non-tertiary education, Finland, Norway (1% each) and Denmark (2%) have the smallest shares of private funding, while Colombia (35%), Turkey (27%) and Australia (19%) have the largest (Figure 14.7).

Some countries have a policy of charging low tuition fees for tertiary education, such as Denmark and Finland. In these two countries, the share of private funding of education is low (1% and 4% respectively). Others charge high tuition fees so the share of private funding is larger, such as the United Kingdom (71% privately funded), Japan (69%) and the United States (65%) (Figure 14.7). Some of the countries where a larger share of funding comes from private sources provide financial support through public-to-private transfers (e.g. in the form of scholarships, loans and grants to students), including Australia, Ireland, Korea, New Zealand and the United Kingdom (OECD, 2020).

Early childhood education has become a priority for OECD countries. On average in 2018, 88% of 4-year-olds and 78% of 3-year-olds were enrolled in education, which represents an increase from 2005, when only 69% of these age groups were enrolled in any programme. Belgium, Denmark, France, Israel, Spain, and the United Kingdom have reached around 100% enrolment for 3-4 year-olds. Other countries have lower enrolment rates for 3-year-olds, including Switzerland (2%) and Turkey (10%), although the proportion increases for children aged 4 (49% for Switzerland and 39% for Turkey) (Figure 14.8).

During the COVID-19 pandemic, most countries enforced school closures for some part of the 2020 and 2021 school years. Countries used a variety of remote learning resources, including radio and television education, and instructional packages. Almost all OECD countries used online learning platforms (Schleicher, 2020) accessed from smartphones, tablets or computers. In 2018, 89% of students on average in OECD countries had access to a computer at home. In Denmark (98%), Poland (96%) and the Netherlands (95%) nearly all students had a computer, while in Mexico (57%), Colombia (62%), and Turkey (67%) a significant share did not. These latter three countries also had large socio-economic disparities: in disadvantaged schools only 24% of students in Mexico, 33% in Colombia and 40% in Turkey had access to a computer (Figure 14.9).

Methodology and definitions

Data for funding and enrolment come from the UNESCO-OECD-Eurostat (UOE) data collection on education statistics. Private spending includes all direct expenditure on educational institutions, whether partially covered by public subsidies or not. The classification of education levels follows the 2011 International Standard Classification of Education (ISCED). Early childhood education (ISCED 0) includes two types of programmes: early childhood educational development (ISCED 01) and pre-primary (ISCED 02). Enrolment 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. Generally, figures are based on head counts and do not distinguish between full-time and part-time study.

Data on students' learning environments come from the student questionnaire of the 2018 Programme for International Student Assessment (PISA). A socio-economically disadvantaged (advantaged) school is a school in the bottom (top) quarter of the PISA index of economic, social and cultural status (ESCS) in the relevant country/economy.

Further reading

OECD (2020), *Education at a Glance 2020: OECD Indicators*, OECD Publishing, Paris, *https://doi.org/10.1787/69096873-en*.

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

Ikeda, M. (2020), "Were schools equipped to teach – and were students ready to learn – remotely?" *PISA in Focus*, No. 108, OECD Publishing, Paris, *https://doi.org/10.1787/4bcd7938-en*.

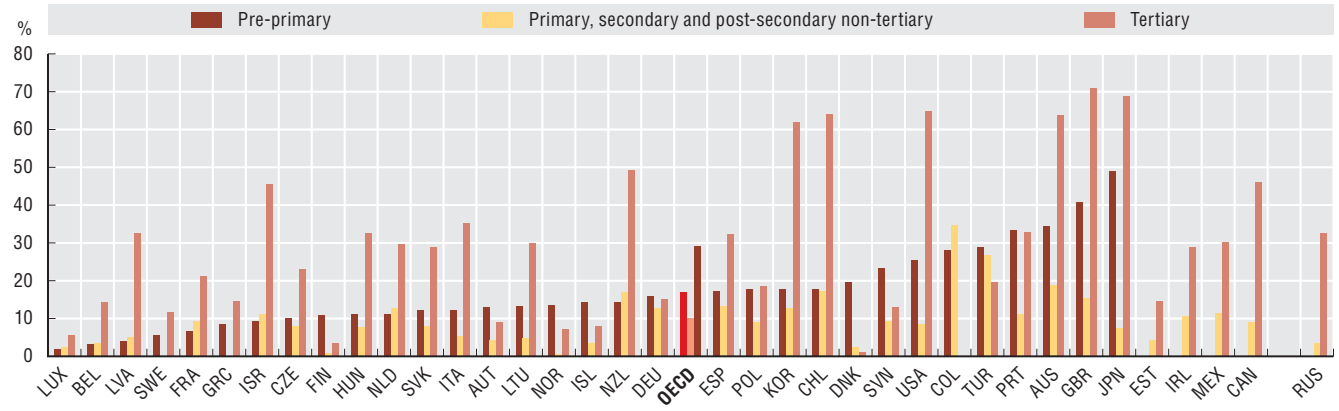
Figure notes

14.7. Data for Switzerland are missing. Data for Estonia, Ireland and Mexico for pre-primary are missing. Data for Colombia are for 2018 instead of 2017. Primary education in Canada includes pre-primary.

14.8. Data for Canada and Greece are missing. Data for the United States exclude ISCED 01 programmes. Data for South Africa refer to 2017 instead of 2018.

14.9. Data for China cover Beijing, Shanghai, Jiangsu and Zhejiang only.

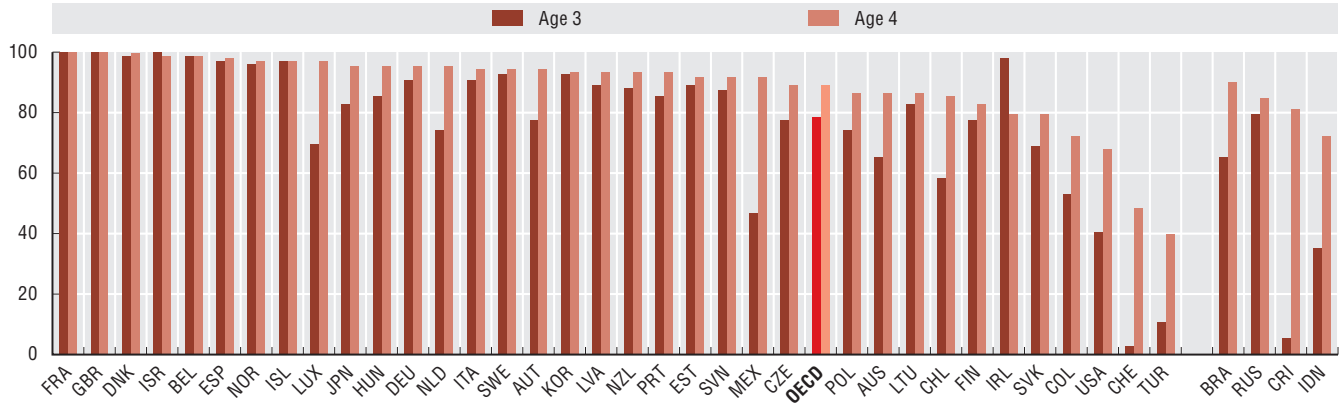
14.7. Share of private expenditures on education after transfers as a share of total spending on education, 2017



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

StatLink https://doi.org/10.1787/888934259522

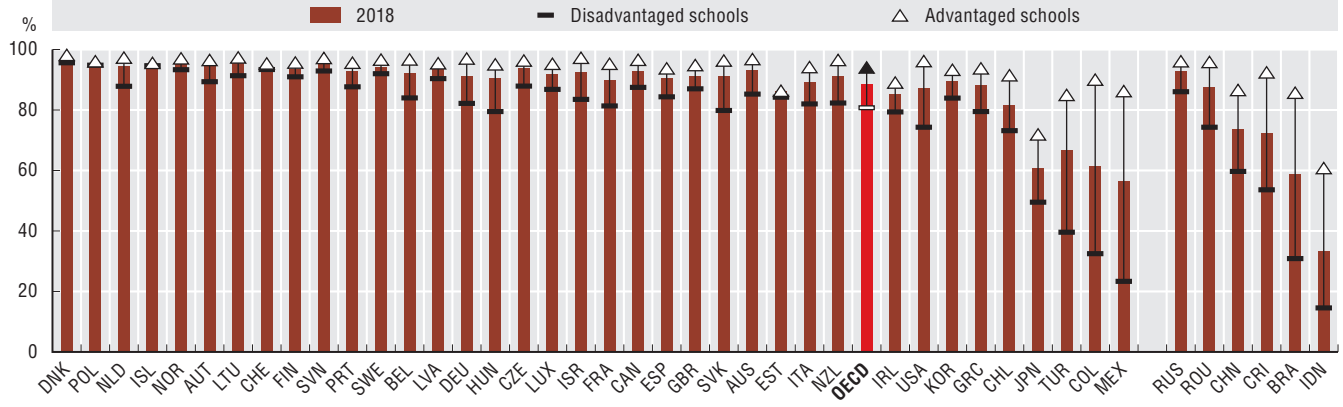
14.8. Enrolment rate at age 3 and 4 in early childhood and pre-primary education, 2018



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

StatLink https://doi.org/10.1787/888934259541

14.9. Percentage of students with access to a computer to do homework at home, 2018



Source: OECD (2020), *PISA 2018 Results (Volume V): Effective Policies, Successful Schools*.

StatLink https://doi.org/10.1787/888934259560

Access to justice

Access to justice is defined as the ability of individuals and businesses to seek and obtain a just resolution of legal problems through a wide range of legal and justice services. These services include legal information, counsel and representation, formal (e.g. courts) and alternative dispute resolution, and enforcement mechanisms (OECD, 2019). Emphasis should also be placed on legal empowerment, which enables people's meaningful participation in the justice system and builds their capability to understand and use the law for themselves (OECD, 2019). The rule of law requires impartial and non-discriminatory justice. Without equal access, a large portion of the population can be left behind and their vulnerabilities exposed.

During the COVID-19 pandemic, many legal advice services that helped users of the court system navigate the system effectively were affected by lockdown measures. Providers of such services were not always equipped to operate virtually during the pandemic. However, many countries were able to switch to digital means: Greece, Ireland, Israel, Italy, Latvia, Poland, Portugal, Romania, Slovenia, Spain, Switzerland, the United Kingdom and the United States, among others, carried out fully virtual trials. In Canada and Mexico, mediators used videoconferencing software to carry out employment and civil mediations (OECD, 2020).

On average, OECD countries scored 0.65 out of a maximum of 1 in the *accessibility and affordability of civil justice* dimension of the 2020 World Justice Project (WJP) Rule of Law index, an increase of 0.03 points since 2016. The Netherlands (0.80), Germany (0.79), Denmark and Sweden (0.76 each) had the highest scores. The greatest increases between 2016 and 2020 were in Estonia, Turkey (0.08 points each), Austria, Greece and Sweden (0.07 each) (Figure 14.10). Estonia has one of the most digitalised court systems, which allowed the courts to continue working even during the COVID-19 pandemic. The Council for Administration of Courts, a non-permanent body whose members are predominantly judges, plays an important role in managing the justice system. It issued recommendations to further the digitalisation of the court system during the emergency (European Commission, 2020). Other countries also issued decrees and regulations to facilitate the digitalisation of court systems during lockdown. For instance, in Spain, Royal Decree 16/2020 gave preference to digital means for conducting judicial proceedings.

On average, in 2020, OECD countries scored 0.78 points in the *accessibility, impartiality and effectiveness of alternative dispute resolution (ADR) mechanisms* dimension of the Rule of Law Index, a decrease of 0.01 points since 2016. Norway (0.90), Estonia (0.89) and Japan (0.88) had the highest scores. Estonia had the largest increase (0.08) between 2010 and 2020 (Figure 14.11).

Methodology and definitions

The World Justice Project collects data via a set of questionnaires based on the Rule of Law Index's conceptual framework. The questionnaires are administered to representative samples of the general public and to legal experts who frequently interact with their national state institutions. For the general population, a probability sample of 1 000 respondents in each of the 136 countries is selected while on average 30 experts per country are surveyed. All questionnaires are administered by leading local polling companies. Each dimension of the index is scored from 0 to 1; a higher score means a better performance on the dimension. For more information, see *https://worldjusticeproject.org/our-work/wjp-rule-law-index*.

Accessibility and affordability of civil justice is gauged by considering aspects such as people's awareness of available remedies, and affordability of legal advice and representation. *Accessibility, impartiality and effectiveness of alternative dispute resolution mechanisms* is gauged by considering costs, timeliness and effective enforcement of arbitral awards.

Further reading

OECD (2020), "Access to justice and the COVID-19 pandemic", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD Publishing, Paris, *https://doi.org/10.1787/09a621ad-en*.

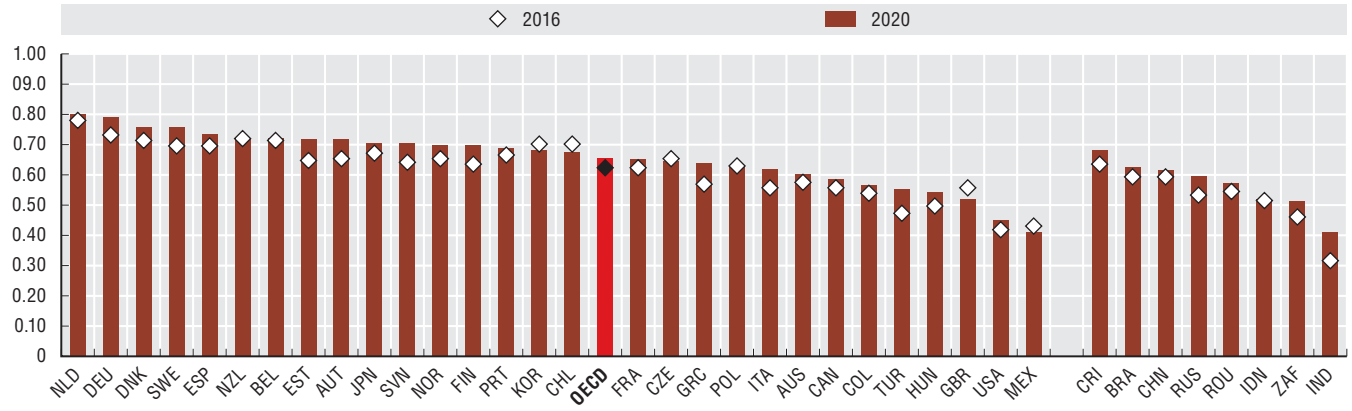
OECD (2019), *Equal Access to Justice for Inclusive Growth: Putting People at the Centre*, OECD Publishing, Paris, *https://doi.org/10.1787/597f5b7f-en*.

European Commission (2020), "2020 Rule of Law Report: Country chapter on the rule of law situation in Estonia", *Commission Staff Working Document*, SWD (2020) 305, European Commission, Brussels, *https://ec.europa.eu/info/sites/info/files/ee_rol_country_chapter.pdf*.

Figure notes

Data for Iceland, Ireland, Israel, Latvia, Lithuania, Luxembourg, the Slovak Republic and Switzerland are not available.

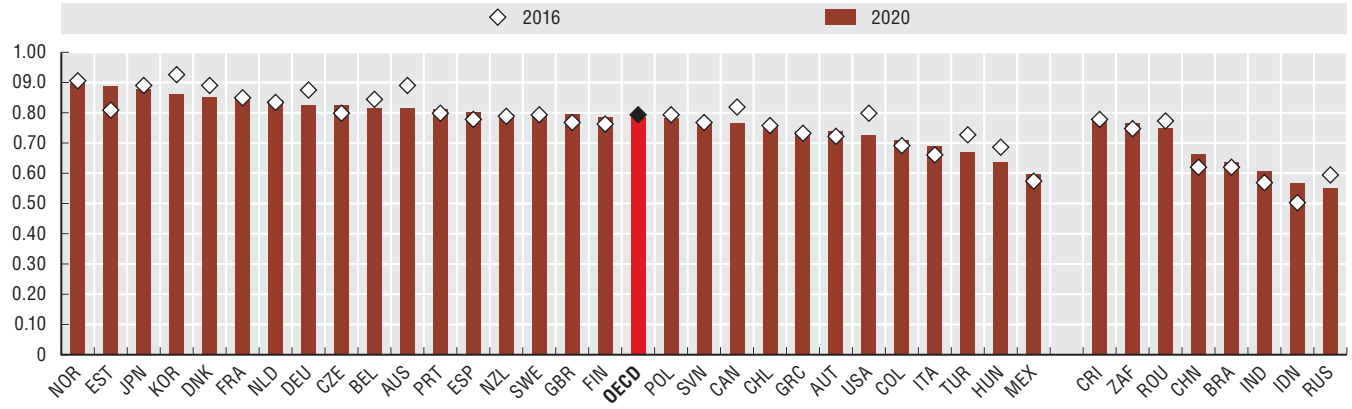
14.10. People can access and afford civil justice, 2016 and 2020



Source: World Justice Project (2020), *Rule of Law Index 2020*.

StatLink https://doi.org/10.1787/888934259579

14.11. Alternative dispute resolution mechanisms are accessible, impartial and effective, 2016 and 2020



Source: World Justice Project (2020), *Rule of Law Index 2020*.

StatLink https://doi.org/10.1787/888934259598

Responsiveness of health systems to patient needs

Health systems are increasingly focusing on making their services more people-centred. This includes people's experiences when interacting with health care providers, and empowering them to co-produce their health, especially with the help of digital technologies, which have democratised access to health information. Many countries collect patient-reported experience measures (PREMs) and patient-reported outcome measures (PROMs), due to their importance for improving health system performance.

PREMs measure patients' experiences of health care, while PROMs measure aspects related to their quality of life, including symptoms, functional status and physical, mental and social health. In 2018 the OECD launched the Patient-Reported Indicator Surveys (PaRIS) initiative to collect internationally comparable PREM and PROM data.

Good communication with providers helps patients play a greater role in their own health, by allowing them to make informed decisions about their care. The Commonwealth Fund International Health Policy Surveys collect data on patient experiences in 11 OECD countries. According to the 2017 round, which focused on adults aged 65 and over, a vast majority of patients reported that their doctor often or always explains things in a way that they can understand. The share ranges from 94% in Australia and New Zealand to 78% in Sweden (Figure 14.12).

Long waits for health services can worsen symptoms and have a negative impact on patient experience. In 2020, 67% of adult patients in Sweden, 62% in Canada, and 53% in Norway did not get an appointment with a doctor or a nurse the same or next day the last time they needed care. In contrast, the shares were just 25% in Germany, 34% in the Netherlands and 35% in Australia 35. Among adults who self-reported a lower income than the national average, the share was 59% in New Zealand (versus 39% for the whole population), 43% in Australia (versus 35%), and 59% in the United States (versus 51%) (Figure 14.13).

Waiting times for elective (non-urgent) surgery are generally much longer than for doctor's appointments. In 2019, the median waiting time for cataract surgery (the most frequent surgical intervention in most OECD countries nowadays) was nearly three months (87 days), a fall of 10 days from 2014. Patients in Italy (25 days), Hungary (30 days) and Denmark (36 days) had the shortest waits, while those in Poland (246 days), Estonia (148 days) had the longest. Denmark, Poland and Hungary have reduced their waiting times (in relative terms) the most: since 2014 they fell by 44% in Denmark, 41% in Poland and 31% in Hungary. In contrast, waiting times in Estonia (54%), Norway (39%) and Portugal (34%) have increased the most during this period (Figure 14.14). The pandemic is likely to increase waiting times for elective surgeries, with many rescheduled or postponed to respond to the peak in demand for intensive care for COVID-19 patients.

Methodology and definitions

Data for Figure 14.12 come from the 2017 Commonwealth Fund International Health Policy Survey of Older Adults (aged 65 and above) in 11 OECD countries. Interviews were conducted between March and June over the phone (except for Switzerland, where they were conducted online).

Data for Figure 14.13 come from the Commonwealth Fund International Health Policy Survey which interviewed people aged 18 and above between February and May 2020. Interviews were conducted over the phone and online (in Sweden, Switzerland and the United States). Samples ranged from 607 to 4 530, and data were weighted to ensure representativeness of the national population.

Lower-income adults are defined as those whose self-reported household pre-tax income is "somewhat below" or "much below" the national average (the questionnaire provides respondents with the actual national average income as a reference), while for higher-income adults it is "somewhat above" or "much above" the national average.

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.

Further reading

Doty, M. et al. (2020), "Income-related inequalities in affordability and access to primary care in eleven high-income countries", Commonwealth Fund website, *www.commonwealthfund.org/publications/surveys/2020/dec/2020-international-survey-income-related-inequalities*.

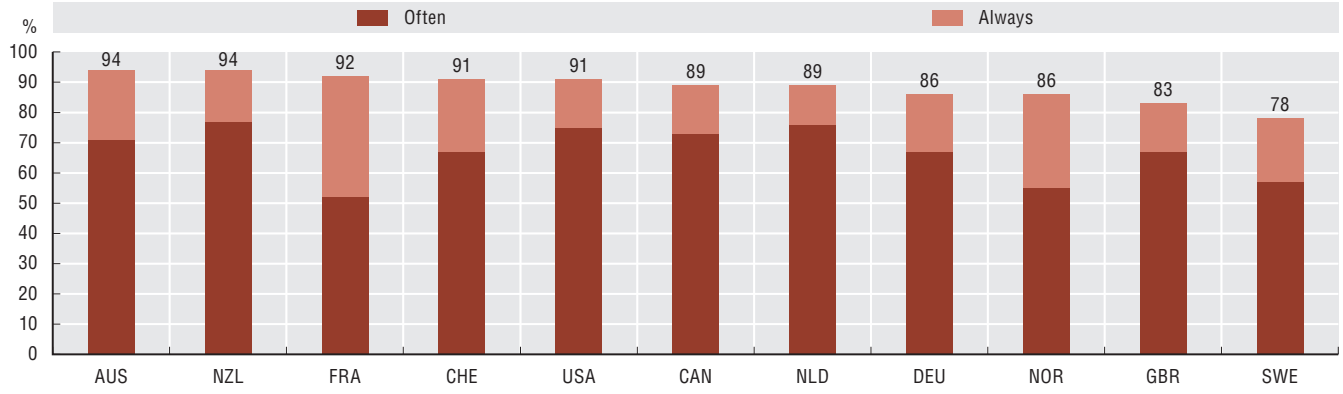
OECD (2020), *Waiting Times for Health Services: Next in Line*, OECD Health Policy Studies, OECD Publishing, Paris, *https://doi.org/10.1787/242e3c8c-en*.

OECD (2019), *International Data Collection Guidelines: Patient-Reported Outcome Measures (PROMs) for Hip and Knee Replacement Surgery*, OECD, *www.oecd.org/health/health-systems/OECD-PaRIS-hip-knee-data-collection-guidelines-en-web.pdf*.

Figure notes

14.14. Data for Australia, Denmark, Finland, New Zealand, Norway, Poland, Portugal and the United Kingdom are for 2018 instead of 2019. Data for Israel are for 2016 instead of 2019. Data for the Netherlands refer to the mean, resulting in an over-estimation. Data for Norway are also an over-estimation because they start from the date when a doctor refers a patient for specialist, whereas in other countries they start only once a specialist has assessed the patient and decided to add the person to the waiting list for treatment.

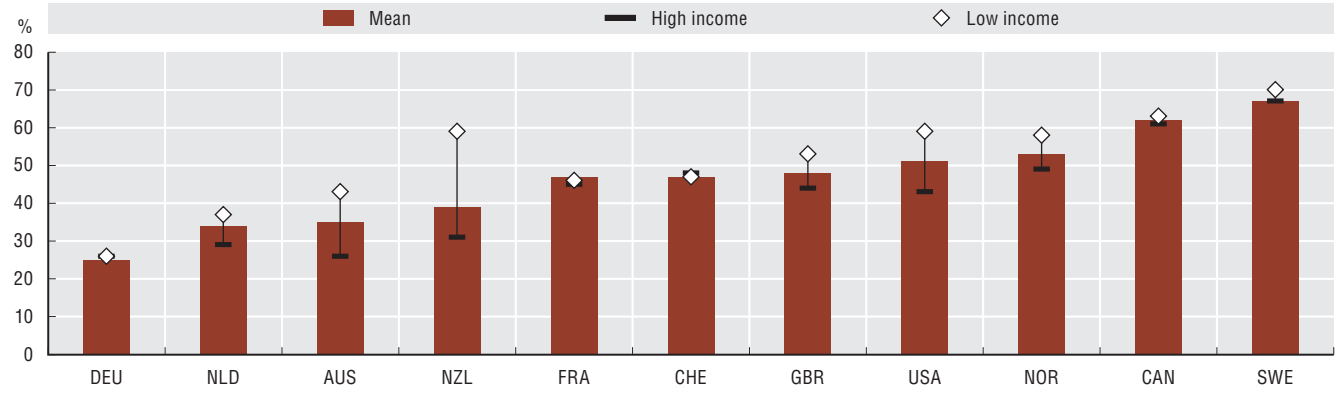
14.12. Percentage of adults aged 65 and above who report that their doctor always or often explains things in a way that is easy to understand, 2017



Source: Commonwealth Fund (2017) *International Health Policy Survey of Older Adults.*

StatLink https://doi.org/10.1787/888934259617

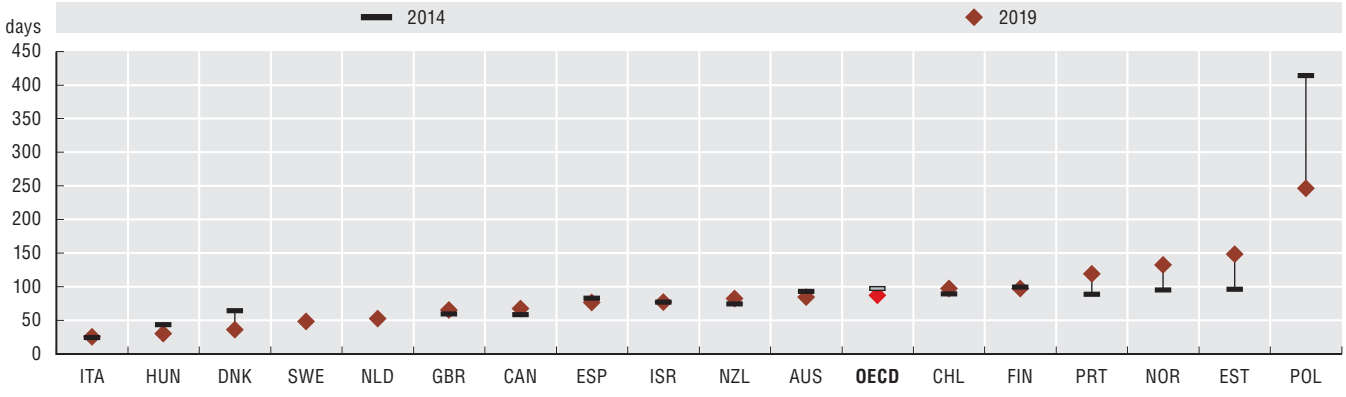
14.13. Percentage of people who did not get same or next-day appointment with doctor or nurse the last time they needed care, 2020



Source: Commonwealth Fund (2020), *International Health Policy Survey.*

StatLink https://doi.org/10.1787/888934259636

14.14. Median waiting time for cataract surgery from specialist assessment to treatment, 2014 and 2019



Source: OECD (2020) *Health Statistics* (database).

StatLink https://doi.org/10.1787/888934259655

Responsiveness of education systems to special needs

Responsive education systems ensure that all students, regardless of their socio-economic background, have equal opportunities to succeed in their studies and thrive in the labour market. In general, those with low education levels (i.e. at most lower secondary education) are over-represented in youth unemployment. A good education is the best safeguard against becoming a young person not in employment, education or training (NEET) (Carcillo, et al. 2015).

In 2020, on average, across the OECD, 12.6% of 15-29 year-olds were NEET, compared with 15.6% ten years earlier. Switzerland (4.9%), the Netherlands (5.8%) and Luxembourg (6.2%) had the lowest NEET rates, while Turkey (30.8%), Colombia (23.7%), Italy (23.0%) and Mexico (20.7%) had the highest. Israel halved its NEET rate in ten years, from 28.7% in 2009 to 12.9% in 2020, in line with its steep overall declines in unemployment rates during the same period. Latvia and Turkey also achieved large reductions, by 9.9 p.p. and 8.7 p.p. respectively (Figure 14.15).

At the school level, having sufficient resources and support is key to ensuring that all students have the same opportunities. In 2018, the OECD countries where instruction is less hindered by shortages of staff (according to school principals) were Poland (-1 standard deviation from the OECD mean), Denmark (-0.7 sd) and the Slovak Republic (-0.5 sd), while Japan (0.9 sd), Portugal (0.8 sd) and Italy (0.5 sd) are most affected by such shortages. Outside the OECD, instruction in Romania (-0.4 sd) is less hindered by staff shortages than the OECD average. When considering educational material, Turkey, Canada (-0.6 sd each) and Australia (-0.5 sd) are the countries where instruction is the least hindered by shortages, while Colombia (0.8 sd), Japan and Greece (0.7 sd each) are the most affected (Figure 14.16).

Homework is widely used to encourage student motivation and self-regulation, but it may widen the performance gap between students with different socio-economic backgrounds (OECD, 2020). On average across OECD countries, 76% of students attended schools that provided rooms for students to do homework in 2018, and 62% were in schools where staff helped students with their homework. In Luxembourg and Sweden the share was 98% of students, while it was only 41% in Greece and 42% in the Slovak Republic. Similarly, 93% of students in Sweden and the United Kingdom attended schools whose staff provided help with homework, and only 29% in Austria and 35% in Korea (Figure 14.17).

Methodology and definitions

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

Data for Figures 14.16 and 14.17 come from the 2018 Programme for International Student assessment (PISA) school questionnaire. The index of shortage of educational material was calculated based on the responses by school principals on the extent to which their school's capacity to provide instruction was hindered ("not at all", "very little", "to some extent" or "a lot") by a shortage or inadequacy of physical infrastructure, such as school buildings, heating and cooling systems and instructional space; and educational material, such as textbooks, laboratory equipment, instructional materials and computers. The index of shortage of education staff is based on their responses to issues such as a lack of teaching staff; inadequate or poorly qualified teaching staff; a lack of assisting staff; and inadequate or poorly qualified assisting staff. The average on these indexes is zero and the standard deviation is one across OECD countries. Positive values reflect principals' belief that shortages hinder their capacity to provide instruction more than the OECD average; negative values reflect beliefs that shortages hinder their capacity to a lesser extent.

Further reading

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. *http://dx.doi.org/10.1787/5js6363503f6-en*.

OECD (2020), *PISA 2018 Results (Volume V): Effective Policies, Successful Schools*, PISA, OECD Publishing, Paris, *https://doi.org/10.1787/ca768d40-en*.

Figure notes

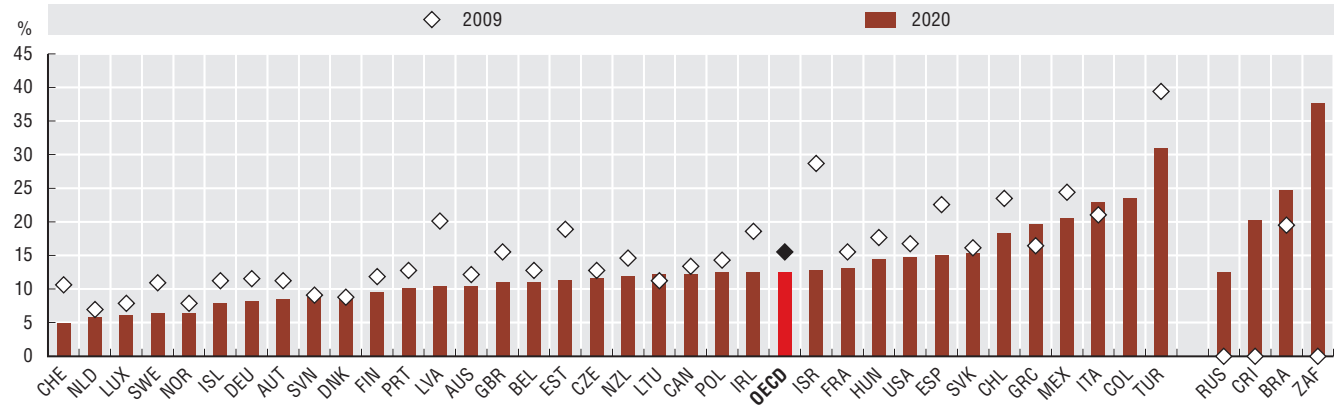
14.15. Data for 2020 refer to the 4th quarter. Data for Colombia for 2009 are not available. Data for Japan and Korea are not available. Data for Australia, Colombia, Germany, Greece, Israel, Mexico, New Zealand, Costa Rica and Russia are for 2019 instead of 2020. Data for Chile are for 2017 instead of 2020. Data for the United States, Brazil and South Africa are for 2018 instead of 2020.

14.16. Countries and economies are ranked in descending order of the index of shortage of educational material.

14.17. Data on help from staff to do homework for Japan are not available.

14.16 and 14.17. Data for China cover Beijing, Shanghai, Jiangsu and Zhejiang only.

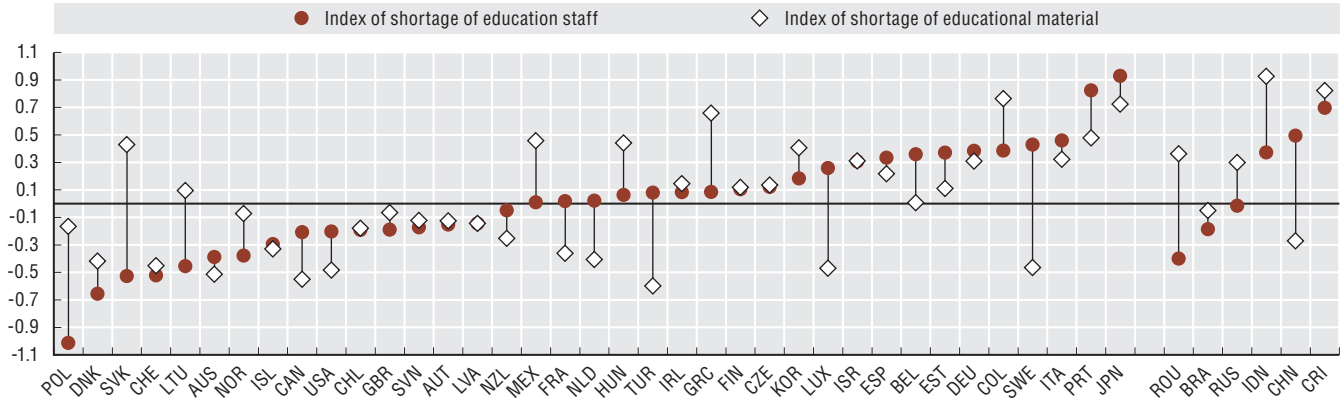
14.15. Percentage of young people (aged 15-29) years not in education, employment or training, 2009 and 2020



Source: OECD (2020), *Education at a Glance 2020: OECD Indicators*; OECD (2021), *OECD Employment Outlook 2021: Navigating the COVID-19 Crisis and Recovery*.

StatLink https://doi.org/10.1787/888934259674

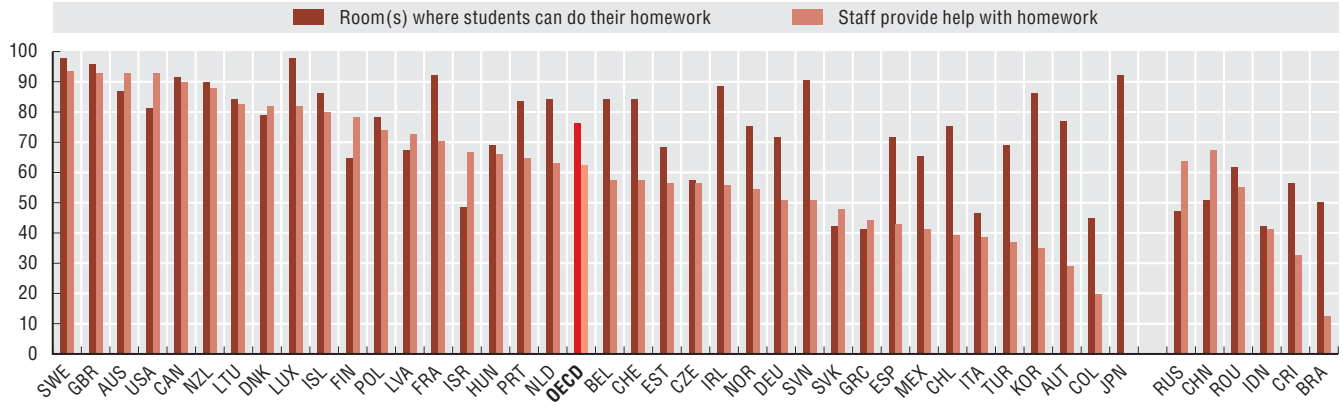
14.16. Indexes of shortage of education staff and education material, 2018



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

StatLink https://doi.org/10.1787/888934259693

14.17. Percentage of students in schools where study help is provided, 2018



Source: OECD (2020) *PISA 2018 Results (Volume V): Effective Policies, Successful Schools*.

StatLink https://doi.org/10.1787/888934259712

Timeliness of civil justice services

Delays in solving legal cases affect citizens and businesses in many ways: increasing costs, reducing productivity, creating health issues, causing employment losses and disturbing relationships, and could discourage individuals from seeking legal remedies for future disputes. A responsive justice system ensures that the "right" mix of services are provided to the "right" clients, in the "right" areas of law, in the "right" locations and at the "right" time (OECD, 2019).

Inaccurate case management is an issue that affects the timeliness of justice, and can sometimes be improved with the use of information technology. The European Commission for the Efficiency of Justice (CEPEJ) suggests categorising cases to improve the timeliness of court resolutions. For contentious civil and administrative cases, it suggests using a timeframe of 6-12 months from filing, depending on the capacity of each country. Normal cases can be resolved within 18-36 months, and complex cases (which make up 5-10% of all cases) can take longer (CEPEJ, 2016). Disposition time (DT) is a commonly used indicator to estimate the time a judicial system takes to resolve a case. It estimates the number of days needed to resolve a pending case in a jurisdiction.

Lithuania was the fastest at resolving civil and commercial litigious cases in 2018, with a DT of 84 days. Luxembourg (94 days) and the Netherlands (110 days) also had short timeframes. Portugal saw the greatest relative reduction in the time taken to resolve cases between 2016 and 2018, from 289 days to 229 days, a fall of 21%. The Slovak Republic achieved the largest absolute reduction, from 524 days in 2014 to 157 in 2018, although this represents an increase on 2016 when the DT was 130 days (Figure 14.18)

Lithuania also had the shortest DT for first instance civil and commercial non-litigious cases, of 4 days, followed by Hungary (32 days) and Latvia (42 days). Outside the OECD, Romania's DT for such cases was 24 days. Italy (231 days), Norway (180 days) and France (162 days) took the longest to resolve these cases. The Slovak Republic had the largest relative reduction, from 184 days in 2016 to 131 days in 2018 (Figure 14.19)

For administrative cases, the shortest DTs in 2018 were Israel (107 days) Hungary (109 days), Poland (118 days) and Estonia (119 days). Outside the OECD, Romania took 117 days. Greece almost halved its DT for these cases, from 1 086 days in 2016 to 601 in 2018 (Figure 14.20).

Methodology and definitions

Data come from the CEPEJ database, which includes data from Council of Europe's member states as well as observers for the 2018 evaluation of judicial systems and earlier. The DT is the estimated time needed to resolve a case, which means the time taken by a first instance court to reach a decision. It is calculated by dividing the number of pending cases in a given year by the number of cases that were resolved in that period, multiplied by 365. Although it does not provide information on the average time needed to resolve a case, it does provide an estimate of the length of the process within a specific jurisdiction.

Litigious civil and commercial cases refer to disputes between parties, such as litigious divorces. Non-litigious cases refer to cases processed by a court that do not involve the determination of a dispute (e.g. an uncontested payment order case). Commercial cases are addressed by dedicated courts in some countries and by civil courts in others. Administrative cases refer to disputes between citizens and local, regional or national authorities. While specialised courts deal with these types of disputes in some countries, civil courts deal with them in others.

Countries differ in the ways they administer justice and distribute responsibilities between courts so any cross-country comparisons must be made with caution. The types of courts and cases included in this exercise may differ, as well as the methods of data collection and categorisation.

Further reading

OECD (2019), *Equal Access to Justice for Inclusive Growth: Putting People at the Centre*, OECD Publishing, Paris, *https://doi.org/10.1787/597f5b7f-en*.

CEPEJ (2020), *European Judicial Systems: CEPEJ Evaluation Report: 2020 Evaluation Cycle (2018 Data: Part 1: Tables, Graphs and Analyses*. European Commission for the Efficiency of Justice, Strasbourg, *https://rm.coe.int/rapport-evaluation-partie-1-francais/16809fc058*.

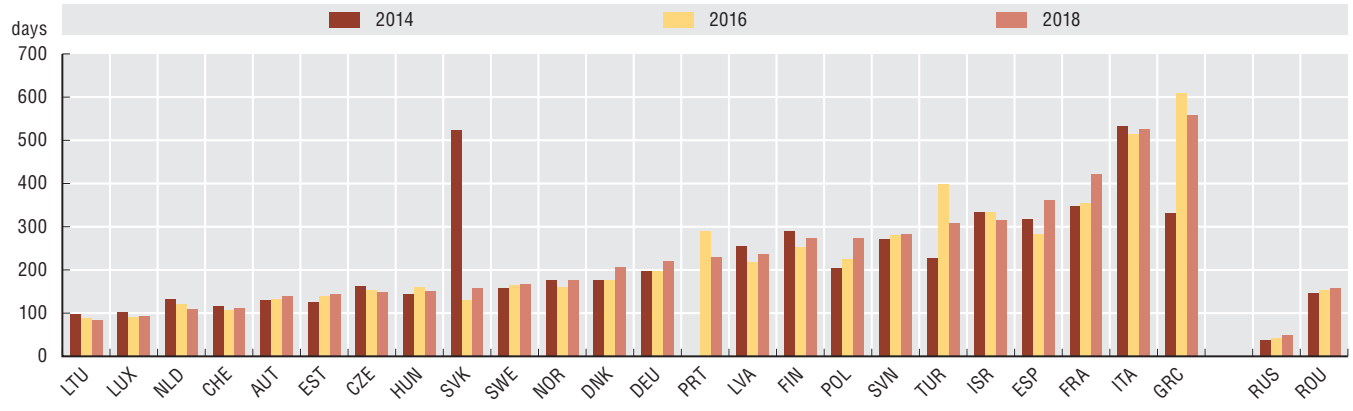
CEPEJ (2016), *Towards European Timeframes for Judicial Proceedings: Implementation Guide*, European Commission for the Efficiency of Justice, Strasbourg, *https://rm.coe.int/16807481f2*.

Figure notes

Countries are ranked in ascending order according to the time needed to resolve cases on the latest year when data were available. Data only covers OECD EU countries.

14.20. Data for the United Kingdom refer to England and Wales only.

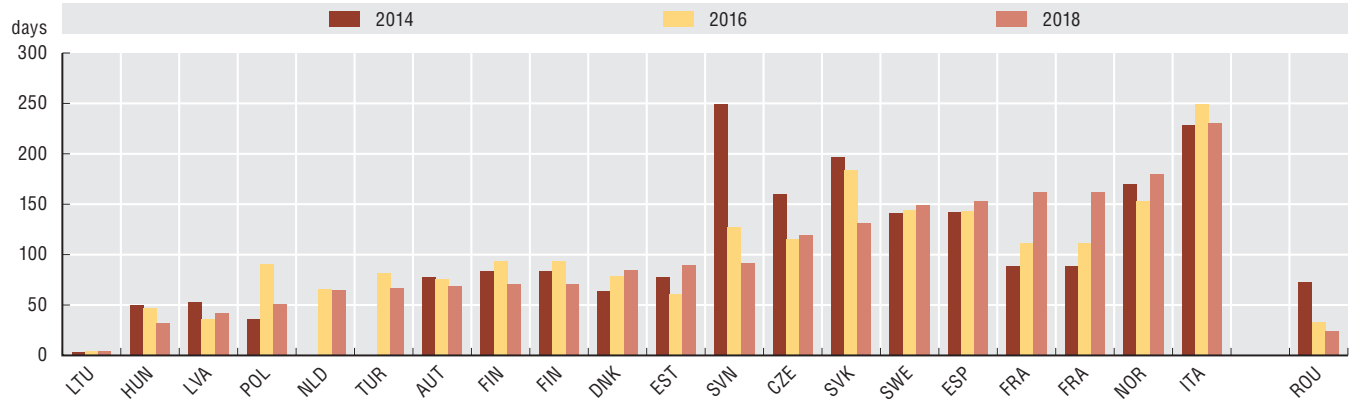
14.18. Disposition time for first instance civil and commercial litigious cases, 2014, 2016 and 2018



Source: CEPEJ (2020), *European Commission for the Efficiency of Justice* (database).

StatLink https://doi.org/10.1787/888934259731

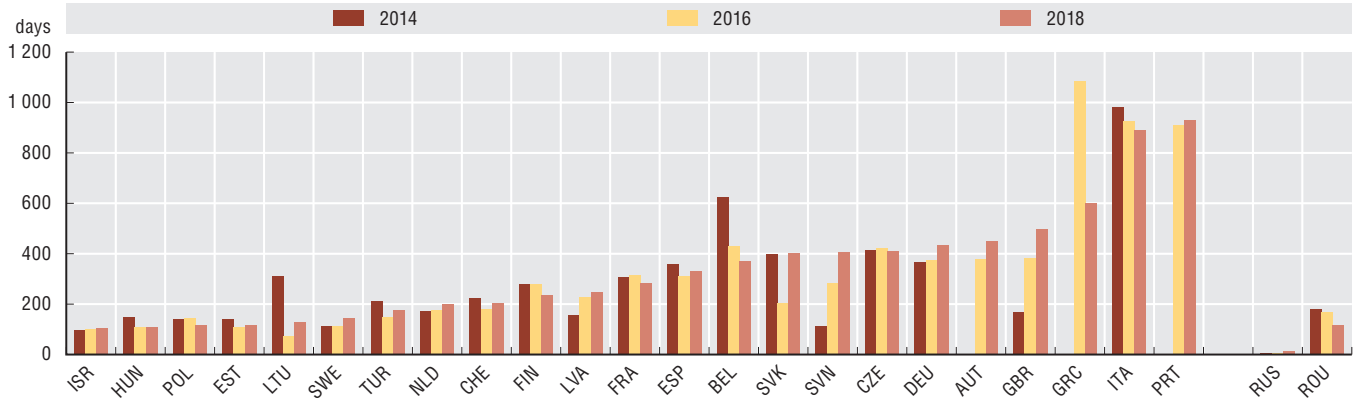
14.19. Disposition time for first instance civil and commercial non-litigious cases, 2014, 2016 and 2018



Source: CEPEJ (2020), *European Commission for the Efficiency of Justice* (database).

StatLink https://doi.org/10.1787/888934259750

14.20. Disposition time for first instance administrative cases, 2014, 2016 and 2018



Source: CEPEJ (2020), *European Commission for the Efficiency of Justice* (database).

StatLink https://doi.org/10.1787/888934259769

Quality of health care

The health system is responsible for preventing health problems (i.e. prevention) and addressing acute or chronic health problems when they arise (i.e. treatment). High-quality care is care that is safe, effective and patient-centred. Quality of care can be assessed through measuring structures, processes and outcomes.

Electronic medical records (EMRs) can contribute to greater co-ordination of health services and improved quality of care, especially if they allow information about patients to be shared between practitioners. On average across OECD countries, 82% of primary care physicians' offices used electronic records in 2016, compared to 73% of medical specialists' offices. In 8 out of 25 OECD countries, EMRs were already used by 100% of primary care offices in 2016, and by all specialist offices in Denmark, Finland, Greece and Sweden. In contrast, only around one-third of primary care offices in Poland, Mexico (30% each) and Japan (36%) were using EMRs in 2016, and only a small share of specialist offices in Switzerland (18%). Between 2012 and 2016, Denmark achieved the greatest progress in take up of EMR use in both primary care and specialist offices (Figure 14.21).

Primary care is usually the initial point of contact between patients and the health care system, and is responsible for the prevention, early diagnosis and management of both communicable and chronic health conditions. Diabetes is a growing chronic condition with well-established treatments which can, for the most part, be delivered at the primary care level. Thus, high-quality primary care can prevent unnecessary admissions to hospital (OECD, 2019). In 2017, on average across the OECD, the hospitalisation rate for diabetes was 127 per 100 000 people, a decrease of over 10% from 2012. Mexico had the highest rate of potentially avoidable hospital admissions for diabetes (249 per 100 000 population), whereas Iceland (42), Italy (43) and Spain (45) had the lowest. Austria, Ireland and Korea have seen the largest reductions in the rate of diabetes hospitalisations between 2012 and 2017 (Figure 14.22).

Mortality within 30 days after hospital admission for potentially fatal conditions such as ischaemic stroke is a well-recognised indicator of the quality of acute care in hospital. On average across the OECD, in 2017, the age-standardised rate of mortality after hospital admission for ischaemic stroke was 7.6 per 100 admissions in people aged 45 and over, a decrease from 10 in 2012. Japan (3.0) and Korea (3.2) had the lowest rates among OECD countries, and Latvia (20.4) the highest. The United Kingdom (-6.5), the Netherlands (-5.3) and Australia (-5.1) have seen the largest reductions since 2007, while Latvia (0.9) and Colombia (0.4) have seen increases in mortality rates between 2007 and 2017 (Figure 14.23).

Methodology and definitions

An EMR is a computerised medical record created in an organisation that delivers care, such as a hospital or physician's office, for their patients. Ideally, EMRs should be shared between providers and settings to provide a detailed history of individual patients' contact with the health care system across multiple organisations (Oderkirk, 2017). The figures on EMR implementation come from the 2016 OECD HCQI Questionnaire on Secondary Use of Health Data: Electronic Health Records s to which 25 OECDcountries responded.

The rate of avoidable admissions for diabetes is based on the sum of three indicators: admissions for short-term and long-term complications, and for uncontrolled diabetes without complications. The indicator 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.

The case-fatality rate for ischaemic stroke measures the percentage of people aged 45 and over who die within 30 days following admission to hospital. The rates presented in Figure 14.23 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

Oderkirk, J. (2017), "Readiness of electronic health record systems to contribute to national health information and research", *OECD Health Working Papers*, No. 99, OECD Publishing, Paris, *https://doi.org/10.1787/9e296bf3-en*.

OECD (2017), *Caring for Quality in Health: Lessons Learnt from 15 Reviews of Health Care Quality*, OECD Reviews of Health Care Quality, OECD Publishing, Paris, *https://doi.org/10.1787/9789264267787-en*.

OECD (2019), *Health at a Glance 2019: OECD Indicators*, OECD Publishing, Paris, *https://doi.org/10.1787/4dd50c09-en*.

Figure notes

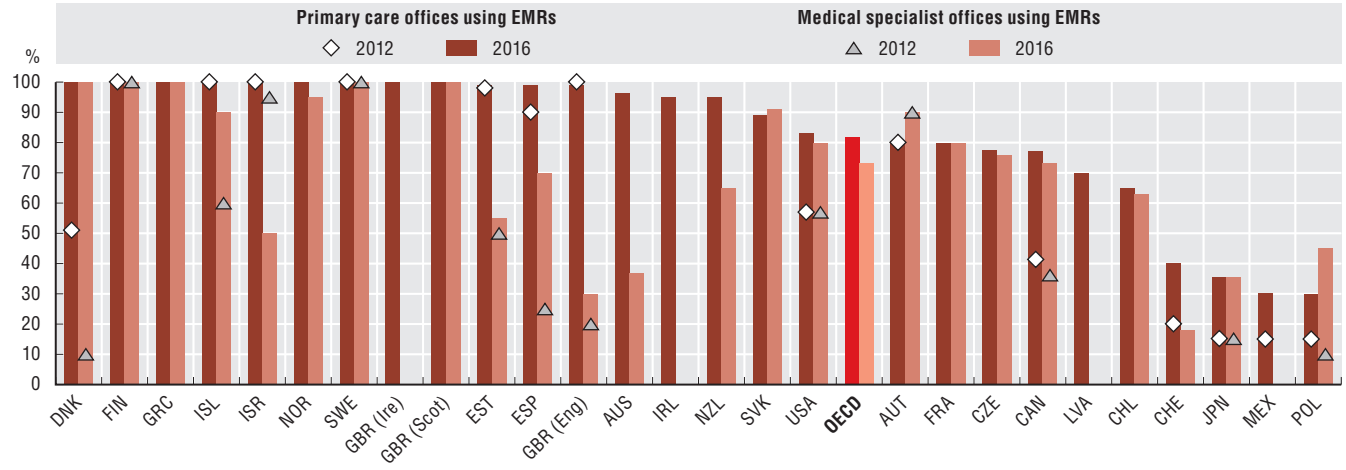
14.21. Data for Canada refer to the percentage of physicians (not physicians' offices). Data for Chile for primary care refer to hospitals at stage 2 or above, and for specialist offices refer to practices. Data for Japan and the United States (for 2012 only) refer to the percentage of physicians' offices (both primary care and specialists).

14.22. Data for Germany and for Portugal are for 2011 instead of 2012. Data for Estonia and the United States are for 2014 instead of 2012. Data for Australia, Iceland, the Netherlands, Poland and the United States are for 2016 instead of 2017. Data for France, Luxembourg and Switzerland are for 2015 instead of 2017. Data for New Zealand are for 2014 instead of 2017.

14.23. Data for Estonia, Lithuania and Turkey for 2007 are not available.

14.22 and 14.23. Data for Iceland and Luxembourg show a three-year average.

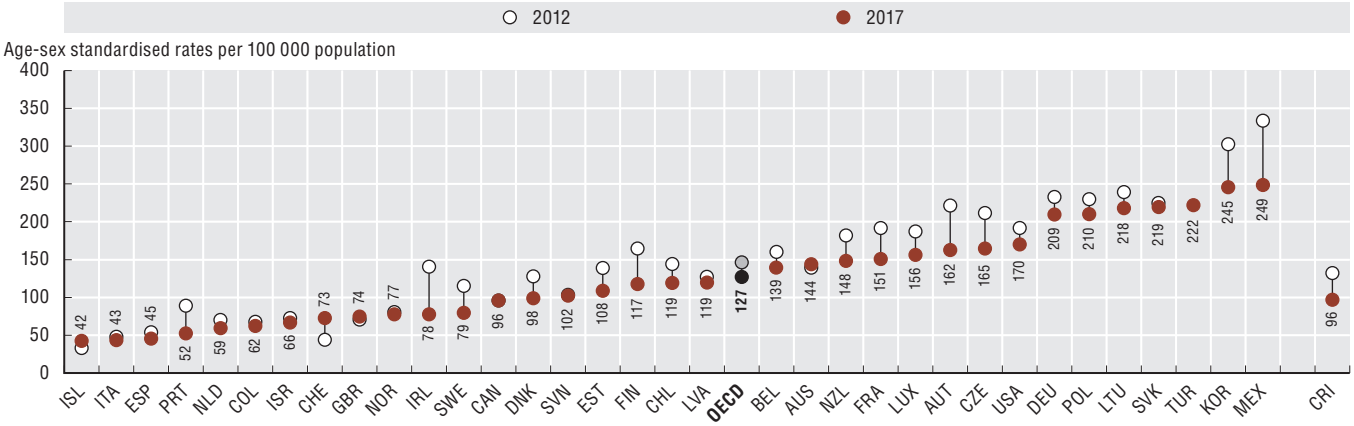
14.21. Percentage of primary care and medical specialist offices using electronic medical records, 2012 and 2016



Source: OECD (2012 and 2016) *OECD HCQI Questionnaire on Secondary Use of Health Data: Electronic Health Records.*

StatLink https://doi.org/10.1787/888934259788

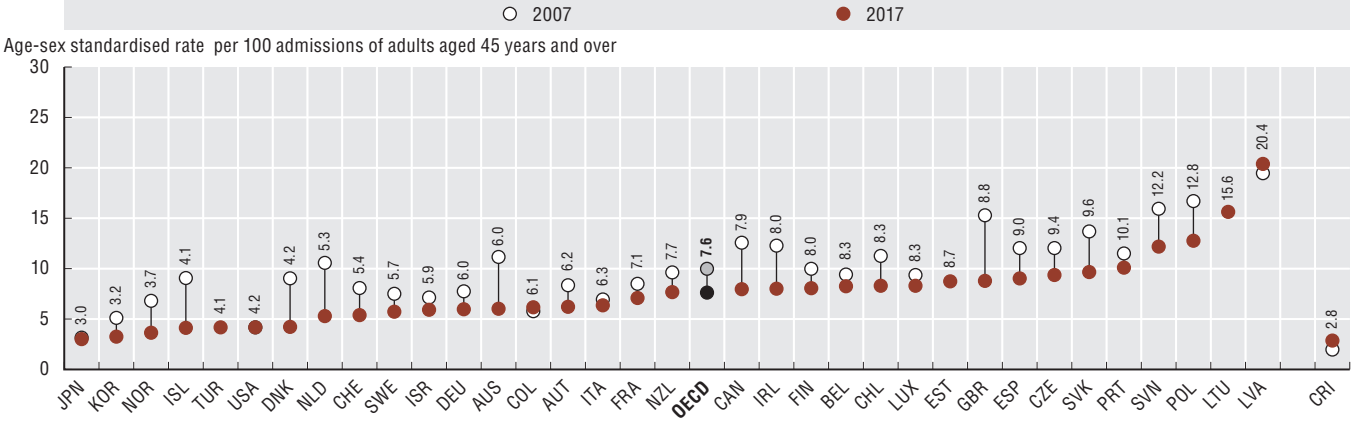
14.22. Diabetes hospital admission in adults, 2012 and 2017



Source: OECD (2020), *Health Statistics* (database).

StatLink https://doi.org/10.1787/888934259807

14.23. Thirty-day mortality after admission to hospital for ischaemic stroke based on unlinked data, 2007 and 2017



Source: OECD (2020), *Health Statistics* (database).

StatLink https://doi.org/10.1787/888934259826

Student performance and equity in education

The education system is responsible for equipping individuals with the knowledge, skills and tools needed for their life-long development. Quality of education can be assessed by how effectively students incorporate the skills they need to thrive in society. The best-performing education systems across the OECD combine both quality and equity. Equity in this context means that personal circumstances are not an obstacle to achieving educational potential, and that all individuals reach at least a minimum level (OECD, 2012).

In 2018, students across the OECD reached an average of 487 points in reading in the Programme for International Student Assessment (PISA), with students in Estonia (523 points), Canada, Finland (520 each) and Ireland (518 points) achieving the highest scores, and those in Colombia (412 points), Mexico (420 points) and Chile (452 points) the lowest (Figure 14.24). Students in Turkey showed the most improvement, scoring 37 points more than in 2015 (OECD, 2019).

However, these averages hide inequalities between students. On average across the OECD, 12% of the variance in performance can be attributed to students' socio-economic status. The influence of socio-economic background on performance is greater in Hungary (19%) and Luxembourg (18%) and, outside the OECD, in Romania (18%). In contrast, in top-performing Estonia (6%) and Canada (7%), as well as in Iceland (7%), socio-economic background plays a much less significant role (Figure 14.24).

In an increasingly complex context, students need to acquire competences that will allow them to navigate and thrive in an interconnected and changing world. PISA assessed students' global competence, which encompasses their ability to examine relevant local, global and cultural issues; understand others' worldviews; engage in open intercultural interactions; and take action for collective well-being and sustainable development.

Cognitive adaptability refers to students' ability to deal with new situations. During the COVID-19 crisis, students were forced to switch to remote learning, and many found themselves confined at home for long periods. In 2018, students in Spain (0.3 standard deviations from the OECD mean), Mexico and Turkey (0.2 sd each) reported a greater ability than the OECD average to deal with unusual situations and overcome difficulties, while students in Italy, Greece and the Slovak Republic (-0.3 sd each) reported more difficulties in doing so (Figure 14.25).

Being able to understand the reasons behind phenomena including climate change, refugee crises and pandemics, and engage in productive debate about them, is another relevant global competence. The PISA index of self-efficacy regarding global issues assesses students' ability to perform these tasks. In 2018, students in Germany, Korea and Colombia (0.2 sd away from the OECD mean) reported the highest self-efficacy, while students in the Slovak Republic (-0.4 sd), Scotland and Italy (-0.2 sd) reported the lowest (Figure 14.27).

Methodology and definitions

Data for all figures come from the 2018 Programme for International Student Assessment (PISA), which assessed the competences of 15-year-old students in reading, mathematics and science in 79 economies. Tipically, the sample was selected in 2 stages, first a representative sample of 150 schools were selected and, then roughly 42 students per school were randomly selected to sit the assessment. PISA computes students' socio-economic background from three family variables: parents' highest level of education, their highest occupational status, and their home possessions, which are aggregated into an index.

The index of cognitive ability refers to students' ability to adapt to new situations. Students were asked to assess six statements, such as "I can deal with unusual situations" and "I am capable of overcoming my difficulties in interacting with people from other cultures", on a five-point scale (from "very much like me" to "not at all like me"). The index of self-efficacy regarding global issues refers to whether students can achieve certain global competence-related tasks on their own. Students assessed five tasks, such as "Explain how carbon dioxide emissions affect global climate change" and "Discuss the different reasons why people become refugees" on a four-point scale (from "I could not do this" to "I could do this easily"). The average for these indexes is zero and the standard deviation is one across OECD countries. Positive values indicate that students have a greater ability than the average student across OECD countries.

Further reading

OECD (2020), *PISA 2018 Results (Volume VI): Are Students Ready to Thrive in an Interconnected World?*, PISA, OECD Publishing, Paris, *https://doi.org/10.1787/d5f68679-en*.

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

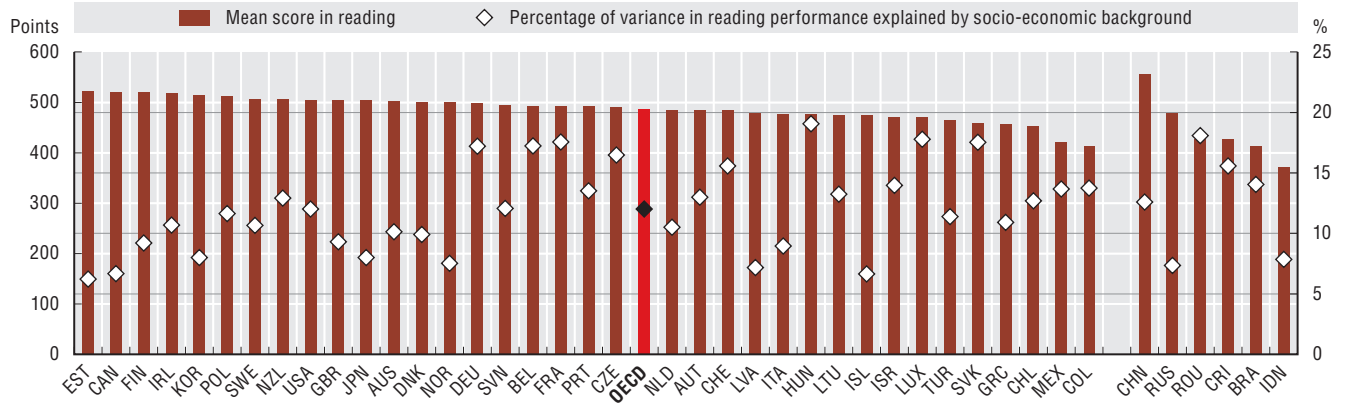
OECD (2012), *Equity and Quality in Education: Supporting Disadvantaged Students and Schools*, OECD Publishing, Paris, *https://doi.org/10.1787/9789264130852-en*.

Figure notes

14.24. Data for Spainare not available. Data for China cover Beijing, Shanghai, Jiangsu and Zhejiang only.

14.25 and 14.26. Data for Belgium, the Czech Republic, Denmark, Finland, Japan, Luxembourg, the Netherlands, Norway, Sweden and the United States are not available.

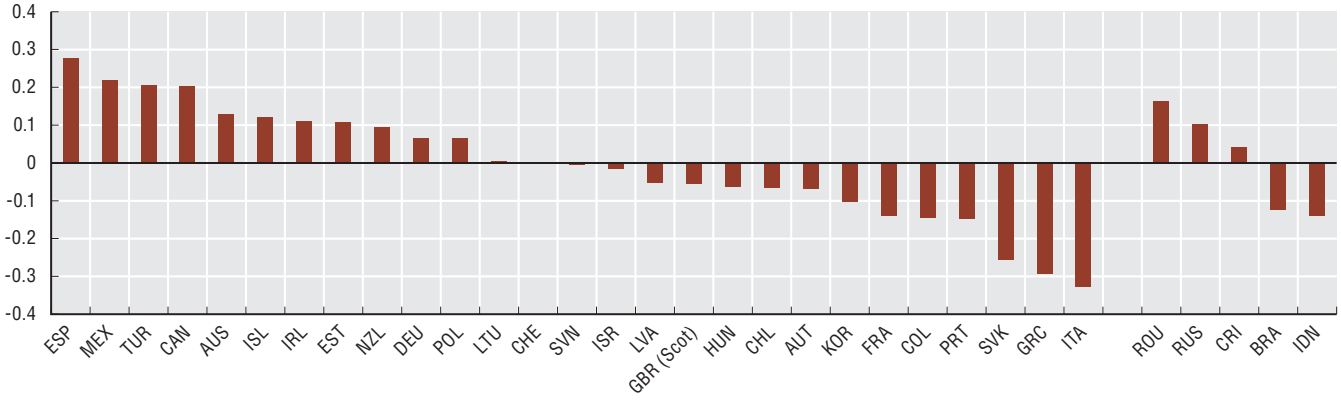
14.24. Mean score in reading and percentage of variance explained by socio-economic background, 2018



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

StatLink https://doi.org/10.1787/888934259845

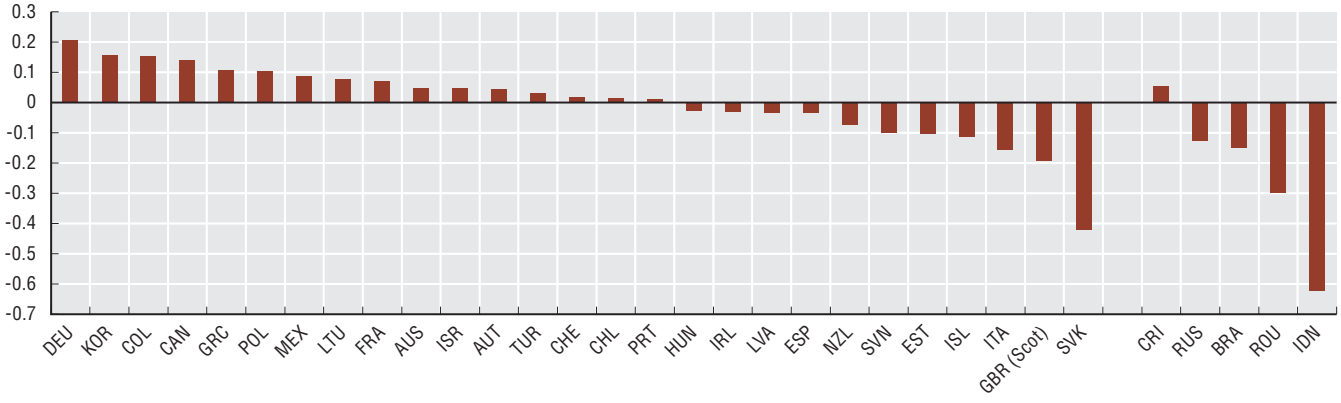
14.25. Index of cognitive adaptability, 2018



Source: OECD (2020), *PISA 2018 Results (Volume VI): Are Students Ready to Thrive in an Interconnected World?*

StatLink https://doi.org/10.1787/888934259864

14.26. Index of self-efficacy regarding global issues, 2018



Source: OECD (2020), *PISA 2018 Results (Volume VI): Are Students Ready to Thrive in an Interconnected World?*

StatLink https://doi.org/10.1787/888934259883

Effectiveness and fairness of the justice system

Justice systems are key to safeguarding rights and ensuring that citizens' legal needs are met. An effective and fair justice system takes in the full continuum of services, ranging from the accessibility of legal information and legal assistance to the formal dispute resolution mechanisms (such as courts) and any alternatives, and their enforcement (OECD, 2019).

An independent judicial system is key to ensuring an impartial resolution of cases. At the systemic level, the European Network of Councils of the Judiciary (ENCJ) suggests that the judiciary should govern itself, through a council with a predominantly judicial membership. Moreover, judges' rulings should not be influenced by a power imbalance between litigating parties. Pressure on individual judges can come from outside the judicial system (e.g. the government or media), but it can also come from within, for example, through peer pressure or pressure from superiors (e.g. a court president annulling the ruling of a judge in their court without due process) (ENCJ, 2014).

Effective enforcement of civil justice and freedom from improper government influence are correlated according to the World Justice Project's (WJP) Rule of Law Index (R^2 = 0.52). In 2020, on average, OECD countries scored 0.73 out of a maximum of 1.00 points for freedom from improper influence, and 0.68 for effective enforcement of civil justice. Australia, Canada, Denmark, Finland, Germany, the Netherlands, Norway and Sweden had high scores on both dimensions (Figure 14.27).

Criminal justice is the most sensitive type of justice, since it can affect people's fundamental rights and freedoms. On the one hand, the rights of the accused have to be protected at every stage of the process. On the other hand, the due prosecution of offenders must be carried out in order to uphold the legal order and protect victims and society from harm. For this reason, court decisions need to be based in law and timely, in order to guarantee that the rights of all the involved parties are respected.

According to the WJP, the timeliness and effectiveness of the criminal justice system is correlated with less readiness to use self-administered justice (i.e. resorting to violence to redress grievances) (R^2 = 0.59). On average, in 2020, OECD countries scored 0.65 points (out of a maximum of 1.00) on the avoidance of self-administered justice, and 0.62 for the effectiveness and timeliness of the criminal adjudication system. Austria, Denmark, Finland, Norway, and Sweden have the highest scores on these dimensions. Chile's score for the timeliness and effectiveness of the criminal adjudication system (0.59) is almost double its score for self-administered justice (0.27) (Figure 14.28).

Between 2016 and 2020, OECD countries' capacity to control crime has remained stable, according to the Rule of Law Index. The average score in both years was 0.85. Norway, Slovenia (both 0.96), Denmark (0.95) and Poland (0.93) had the highest scores (Figure 14.29).

Methodology and definitions

Data come from the WJP's Rule of Law Index, which is based on a general population survey of 1 000 respondents (representative) in the three largest cities of each country and a survey of experts in civil law (practitioners and academics). Each dimension of the index has a score ranging from 0 to 1; a higher score means a better performance on the dimension. For more information, see *https://worldjusticeproject.org/our-work/wjp-rule-law-index*.

Freedom from improper influence is gauged by asking about aspects such as how likely a litigant is to win a case against the state, and how likely the government is to respect such a decision or seek to influence the court. Effective enforcement of civil justice asks about issues such as the enforcement of court rulings and their timeliness.

Effectiveness and timeliness of the criminal adjudication system is gauged by how long it takes to take a suspect to trial and the length of pre-trial detention as well as whether the perpetrators of violent crimes are caught and taken to court, among other aspects. Resorting to violence includes actions such as intimidating or attacking the perpetrator of an offence.

Effective control of crime is based on citizens' perceptions of being safe when walking at night and whether they have been victims of a crime in the past year or three years (depending on the question), among other aspects.

Further reading

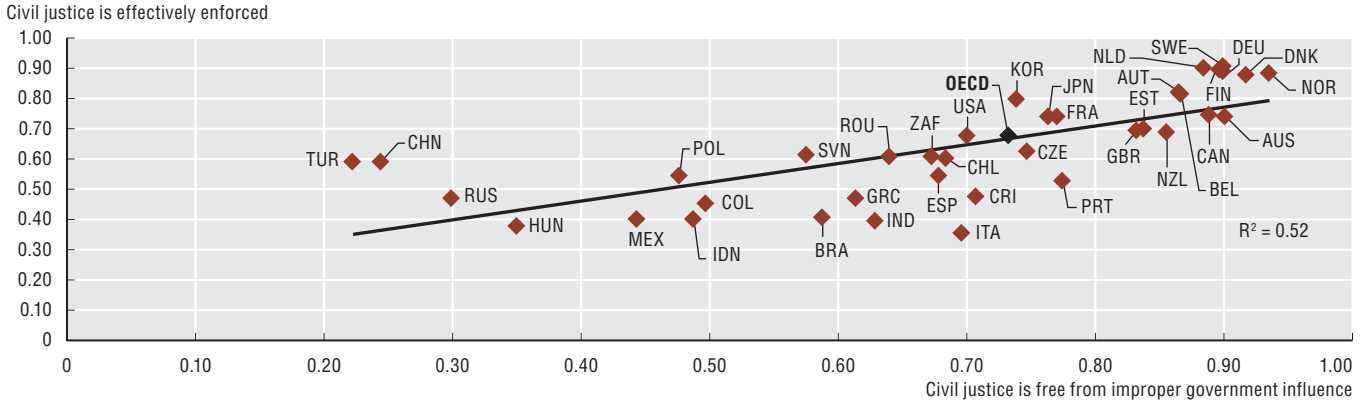
OECD (2019), *Equal Access to Justice for Inclusive Growth: Putting People at the Centre*, OECD Publishing, Paris, *https://doi.org/10.1787/597f5b7f-en*.

ENCJ (2014), *Independence and Accountability of the Judiciary: ENCJ Report 2013-2014*, European Network of Councils of the Judiciary, Brussels, *www.encj.eu/images/stories/pdf/workinggroups/independence/encj_report_independence_accountability_adopted_version_sept_2014.pdf*.

Figure notes

Data for Iceland, Ireland, Israel, Latvia, Lithuania, Luxembourg, the Slovak Republic and Switzerland are not available.

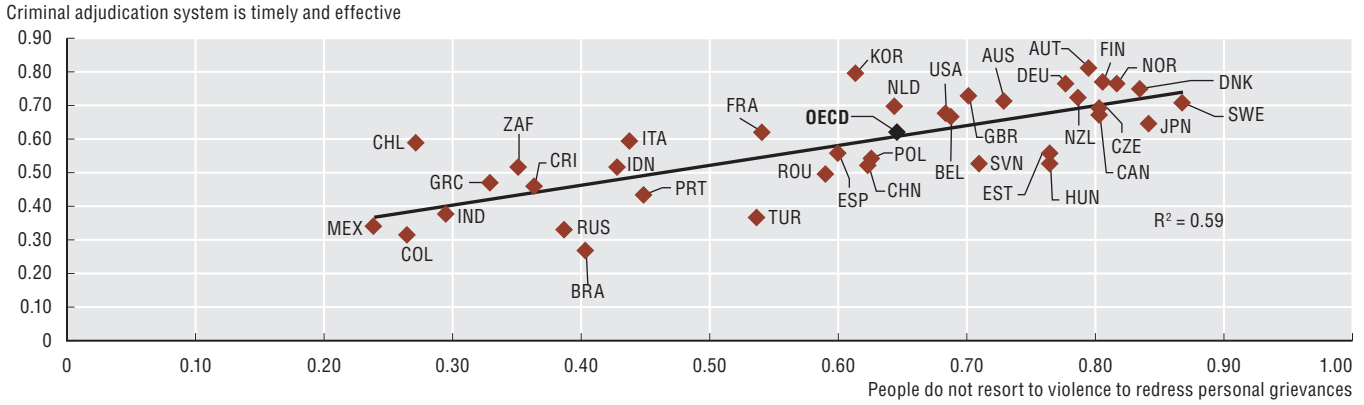
14.27. Effective enforcement of civil justice and freedom from improper government influence, 2020



Source: World Justice Project (2020), *Rule of Law Index 2020*.

StatLink https://doi.org/10.1787/888934259902

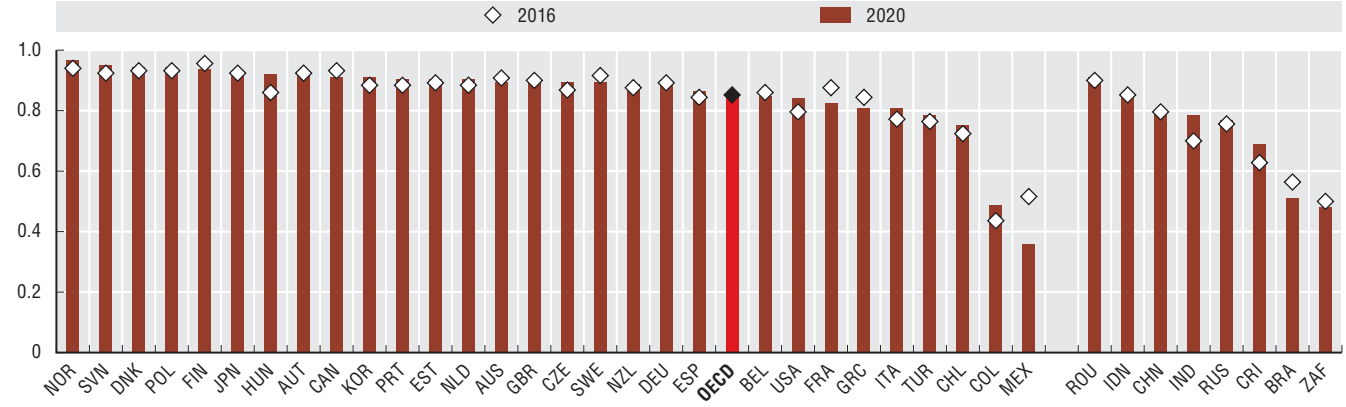
14.28. Effectiveness/timeliness of criminal justice courts adjudication systems and the extent of the use of violence to redress personal grievances, 2020



Source: World Justice Project (2020), *Rule of Law Index 2020*.

StatLink https://doi.org/10.1787/888934259921

14.29. Effective control of crime, 2016 and 2020



Source: World Justice Project (2020), *Rule of Law Index 2020*.

StatLink https://doi.org/10.1787/888934259940

Serving young people

As a generation hit by two major global crises in less than 15 years, today's youth are finding it increasingly difficult to transition to an autonomous life. Young people have less income at their disposal than previous young generations and they are 2.5 times more likely to be unemployed than those aged 25-64 (OECD, 2020a). The COVID-19 crisis has further exacerbated inequalities among young people and between different age cohorts, raising questions about intergenerational justice. For instance, youth were hit hardest by rises in unemployment over the past year with significant effects on their mental health and access to housing (OECD, 2021; OECD, 2020b). At the same time, they have played an important role in building societal resilience by supporting their peers and the elderly during the pandemic (OECD, 2020a).

Access to and the responsiveness and quality of public services are important determinants of young people's transition to an autonomous life. In 2020, youth-led organisations surveyed by the OECD showed the greatest satisfaction in the area of sports, culture and leisure (3.2 on average, on a scale of 1 to 5, where 1 was "very dissatisfied" and 5 "very satisfied") but were much less satisfied with public services in housing (2.1 on average) and employment (2.5) (Figure 14.30).

In recent years, an increasing number of OECD countries have adopted national youth strategies (NYS) to unite governmental and non-governmental stakeholders behind a joint vision for young people (Figure 14.31). In 2020, 25 out of 33 OECD countries (76%), as well as Costa Rica and Romania had a NYS in place. A majority of these strategies aim to improve the access to and responsiveness of public services for young people (80%) and integrate the diverse concerns of young people into all service areas (84%) (OECD, 2020b).

A large number of OECD countries pursue a cross-sectoral approach and their NYS cover commitments for young people in a wide array of service areas including education (24 out of 25, 96%), health (23 out of 25, 92%) and sports (21 out of 25, 84%) (Figure 14.32). These are also areas of focus for Brazil, Costa Rica and Romania. Fewer OECD countries focus on justice (7 out of 25, 28%), transport (13 out of 25, 52%) and housing (15 out of 25, 60%), which are policy areas where youth organisations express lower levels of satisfaction. The average satisfaction score was 2.1 out of 5 for housing services, 2.5 for justice, and 2.6 for transport, presumably because these services are less responsive to young people's expectations and needs than those where governments have been paying more attention to their needs. For instance, the average satisfaction with both education and health services was 2.7 (Figure 14.30).

Policy makers need adequate resources and skills and effective co-ordination mechanisms to avoid fragmented delivery of policies and services. The main obstacles government entities in charge of youth affairs identify in this area are the lack of institutional mechanisms (45%) and insufficient capacities in line ministries (42%) and within their own entity (39%) (OECD, 2020b).

Methodology and definitions

"Youth" is defined as a period towards adulthood, which is characterised by various transitions in people's lives. The UN classification indicates that individuals aged between 15 and 24 fall into this category.

Data from government entities were collected through the OECD Youth Governance Surveys, to which 33 OECD countries responded, as well as Brazil, Costa Rica and Romania. Respondents were senior officials from the youth, education or health ministry, or any other ministry responsible for the co-ordination of national youth strategies.

Data on youth organisations were collected via an online survey conducted between May 2019 and January 2020, to which 65 organisations responded. The survey used a (non-representative) convenience sampling method, so the results are not representative at the country level and cannot be extrapolated to the population of youth organisations. Respondents were recruited on social media, through the OECD's official accounts; only respondents who could prove the existence of their organisation (with a valid URL/website presenting the work of the organisation) were included in the final analysis.

Further reading

OECD (2021), Unemployment Rates, OECD website, *www.oecd.org/sdd/labour-stats/unemployment-rates-oecd-update-february-2021.htm*.

OECD (2020a), "Youth and COVID-19: Response, recovery and resilience", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD Publishing, Paris, *https://doi.org/10.1787/c40e61c6-en*.

OECD (2020b), *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*.

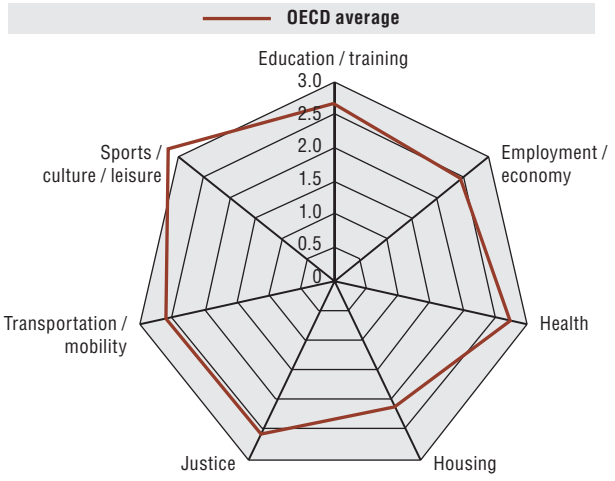
Figure notes

14.30. Data based on 49 to 52 (depending on the answer option) youth organisations in OECD countries for which answers to this question are available. Youth organisations were asked to rate their satisfaction on a scale from 1 to 5, where 1 was "very dissatisfied" and 5 was "very satisfied".

14.31. The graph shows the 33 OECD countries and 3 non-member countries (Brazil, Costa Rica and Romania) responding to the OECD Youth Governance Surveys.

14.32. Data refer to 28 countries, 25 OECD countries and 3 non-member countries (Brazil, Costa Rica and Romania), that have or are elaborating a NYS.

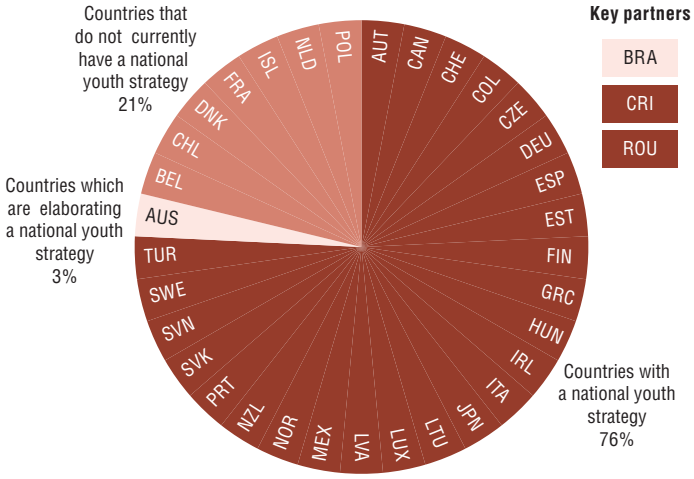
14.30. Youth organisations' satisfaction with public services, 2020



Source: OECD (2020) *Survey of Youth Organisations*.

StatLink https://doi.org/10.1787/888934259959

14.31. Availability of a youth strategy at the national/ federal level, 2020



Source: OECD (2020) *Youth Governance Surveys*.

StatLink https://doi.org/10.1787/888934259978

14.32. Thematic focus of national youth strategies, 2020

Country	Education/ training	Employment/ economy	Health	Housing	Justice	Transportation/ mobility	Sports/ culture/ leisure
Australia	●	●	●	●	●	●	●
Austria	●	●	●	○	●	●	●
Canada	●	●	●	○	○	○	○
Switzerland	●	○	●	○	○	○	●
Colombia	●	●	●	●	●	●	●
Czech Republic	●	●	●	○	○	●	●
Germany	●	●	●	●	○	●	●
Spain	●	●	○	○	○	○	○
Estonia	●	●	●	○	○	●	●
Finland	●	●	●	●	○	○	●
Greece	●	●	●	○	●	○	●
Hungary	●	●	●	●	○	●	○
Ireland	●	●	●	○	○	○	●
Japan	●	●	●	●	○	●	●
Lithuania	●	●	●	●	○	○	●
Luxembourg	○	●	○	●	○	○	○
Latvia	●	●	●	○	○	●	●
Mexico	●	●	●	●	○	●	●
Norway	●	●	●	●	●	○	●
New Zealand	●	●	●	●	○	○	●
Portugal	●	●	●	●	●	●	●
Slovak Republic	●	●	●	○	○	○	●
Slovenia	●	●	●	●	○	●	●
Sweden	●	●	●	●	○	○	●
Turkey	●	●	●	●	●	●	●
OECD Total							
● Yes	24	24	23	15	7	13	21
○ No	1	1	2	10	18	12	4
Brazil	●	●	●	○	●	●	●
Costa Rica	●	●	●	●	○	○	●
Romania	●	○	●	○	○	○	●

Source: OECD (2020) *Youth Governance Surveys*.

StatLink https://doi.org/10.1787/888934259997

Designing and delivering user-driven public services in the digital age

As economies and societies grow increasingly digital, efforts to leverage technology and data to transform the delivery of services may lead to new forms of divides and exclusion. Similarly, a sector-based approach to digitalising services can increase fragmentation across administrations. Digital government and data policies can support a coherent and whole-of-government approach to designing and delivering omni-channel services that meet the final needs of users. The Digital Government Index (DGI) assesses and benchmarks the strategic use of digital technologies and data to enable service design and delivery in the digital age (see two-pager on "Digital government: Progress towards digital competence and maturity" in Chapter 10).

Shared tools and mechanisms enable interactions and integration across channels and organisations and hence maximise the potential of digital technologies to rethink, redesign and simplify services. In 2019, 27 out of 29 OECD countries (93%) had common interoperability frameworks, 25 (86%) had base registries and the same number had a shared ICT infrastructure. In addition, 26 out of 29 OECD countries (90%) possessed single digital identity systems, which allow users to identify themselves when using online services (Table 14.33). However, only 65% of countries have half of their services accessible through these systems.

People-driven approaches, which actively engage users in the design and provision of services, can have a transformative effect on governments' capacity to respond to their needs. Only 14 of the 29 OECD countries in the DGI (48%) have formal requirements to engage users in service design (such as public meetings) and 8 (27%) in service delivery (for example, using mobile applications). People-driven approaches also involve engaging end-users to test and evaluate governments' capacity to meet their needs. While 18 out of 29 OECD countries (62%) have specific policies on involving end-users in testing and evaluating digital projects/initiatives, only 15 (52%) have concrete activities in place to do so (for example, in design-thinking sessions). Even fewer countries (14, or 48%) use indicators to monitor user satisfaction with digital government services (Figure 14.34).

In 2019, Chile, Colombia and Norway were the only countries that combined formal requirements to engage users in designing and delivering digital services with concrete initiatives to test these services and monitor user satisfaction. Other countries took different approaches to understanding users' perspectives. For example, Japan engages users at all stages, but does not monitor their satisfaction, while Belgium, Estonia, Korea, Lithuania and the Netherlands do not engage users, but do monitor their satisfaction with services.

Digital technology can also be used to enhance the inclusion of vulnerable population groups. In 2019, 18 out of 29 OECD countries (62%) reported using digital technology to drive efforts to ensure the inclusion of people with disabilities in service delivery, and 14 (48%) reported doing so for elderly people. Only 9 countries reported similar efforts to include women (31%), and 10 each (34%) to include minorities and citizens living abroad (see Online Figure G.41).

Methodology and definitions

Data were collected through the OECD Survey on Digital Government 1.0, which was designed to monitor the implementation of the OECD Recommendation of the Council on Digital Government Strategies and assess countries' shift towards greater levels of digital maturity. In 2019, 29 OECD countries, and one OECD key partner country (Brazil) participated. 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. For the definition of digital government, see Chapter 10.

Interoperability refers to the ability of a system or component to interact or function effectively with other systems or components, involving the sharing of information and data through ICT systems.

A base registry is a trusted authentic source of information under the control of an appointed public administration or organisation appointed by government; they can hold information on people, businesses, buildings, etc.

Further reading

OECD (2020), *Digital Government in Chile – Improving Public Service Design and Delivery*, OECD Digital Government Studies, OECD Publishing, Paris, *https://doi.org/10.1787/b94582e8-en*.

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

Figure notes

Data are not available for Australia, Hungary, Mexico, Poland, the Slovak Republic, Switzerland, Turkey and the United States.

Figure G.41. (Countries' efforts driven by digital technologies to ensure and/or increase the inclusion and participation of selected groups in service delivery, 2019) is available online in Annex G.

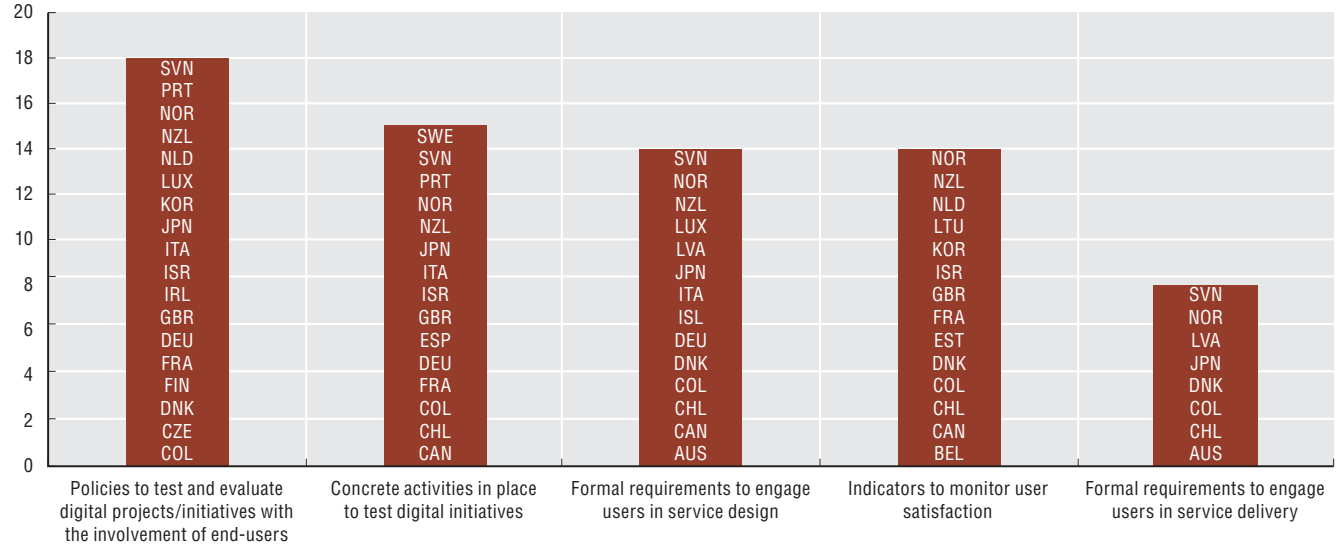
14.33. Use of digital frameworks and tools to enable omni-channel service delivery, 2019

Country	Common interoperability framework	Single Digital Identity System	Base registries	Shared ICT infrastructure	Shared services	Support for the use of open source software	Common data architecture/infrastructure
Austria	●	●	●	●	●	●	●
Belgium	●	●	●	●	●	●	●
Canada	●	●	●	●	●	●	○
Chile	●	●	●	●	●	●	○
Colombia	●	○	●	●	●	●	●
Czech Republic	●	●	●	●	●	●	●
Denmark	●	●	●	●	●	○	●
Estonia	●	●	●	●	○	○	●
Finland	●	●	●	●	●	○	●
France	●	●	●	●	●	●	●
Germany	○	●	●	●	●	●	●
Greece	●	○	○	●	○	○	●
Iceland	●	●	●	○	○	●	○
Ireland	●	●	●	●	●	●	●
Israel	●	●	●	●	●	●	○
Italy	●	●	●	●	●	●	●
Japan	●	●	●	●	●	●	●
Korea	●	●	●	●	●	●	●
Latvia	●	●	●	○	●	○	○
Lithuania	○	●	●	●	○	○	○
Luxembourg	●	●	○	●	●	○	●
Netherlands	●	●	●	●	●	●	●
New Zealand	●	●	○	●	●	●	●
Norway	●	●	●	●	●	●	●
Portugal	●	●	●	●	●	●	○
Slovenia	●	●	●	●	●	○	●
Spain	●	●	●	●	●	●	●
Sweden	●	○	○	○	●	○	○
United Kingdom	●	●	●	○	○	○	○
OECD Total							
● Yes	27	26	25	25	24	19	20
○ No	2	3	4	4	5	10	9
Brazil	●	○	○	●	●	●	●

Source: OECD (2019), *Survey on Digital Government 1.0*.

StatLink https://doi.org/10.1787/888934260016

14.34. Adoption of people-driven approaches to design and deliver services by countries, 2019



Source: OECD (2019), *Survey on Digital Government 1.0*.

StatLink https://doi.org/10.1787/888934260035

Structure and indicators

The *Government at a Glance* series provides reliable, internationally comparable data on government resources, activities and their results in OECD countries and beyond. In turn, these data can be used by countries to benchmark their governments' performance, track domestic and international developments over time and provide evidence of the impact of their public policies. The indicators in *Government at a Glance* are becoming themselves a measuring standard in many fields of public governance and have extended beyond the OECD to cover countries in Latin America and the Caribbean, Southeast Asia, and the Western Balkans. In addition to the core indicators that constitute the trademark of the publication, this seventh edition includes a selection of new indicators and additional data sources, allowing for a more complete picture of the work and results of public administrations across OECD countries. In the current edition, about half of the indicators presented are based on primary evidence collected directly from government officials through OECD survey instruments aimed at tracking countries' adherence to the OECD Recommendations and Principles on Public Governance. The remainder come from secondary sources and rely on either administrative records (e.g. public finances), household surveys (e.g. trust, satisfaction with services, political efficacy) or, to a lesser extent, on expert assessment collected by other organisations (e.g. the World Justice Project's Rule of Law Index).

What's new in Government at a Glance 2021?

The 2021 edition of *Government at a Glance* provides a mix of core chapters that remain stable in every edition, and new features. In addition, the present edition has adapted to reflect the COVID-19 pandemic and its implications for public governance. Accordingly, some two-pagers incorporate evidence on the measures adopted by countries to cope with the effects of the pandemic.

The core chapters of *Government at a Glance* present the most recent data on: public finance and economics (Chapter 2); public employment (Chapter 3); institutions (Chapter 4); budgeting practices and procedures (Chapter 5); human resources management (Chapter 6); regulatory government (Chapter 7); public procurement (Chapter 8); core government results (Chapter 13); and serving citizens (Chapter 14).

New indicators

Many of the core chapters of *Government at a Glance 2021* present new indicators:

- Chapter 5 on budget practices and procedures presents topical aspects of the budget process in areas where new trends and shared practices across OECD countries are emerging or consolidating. Accordingly, it includes indicators on green budgeting practices and their use in supporting a green recovery, spending reviews, and the role of independent fiscal institutions (IFIs) during the early stages of the COVID-19 outbreak.

- New indicators in Chapter 6 on human resources management cover the use of proactive recruitment practices, policies to manage senior civil servants and the development of a diverse public workforce. It also includes a special feature on people management responses to the COVID-19 pandemic in the public service and results from a pilot exercise on measuring engagement through employee surveys.
- Chapter 7 on regulatory governance includes, in addition to descriptive information on stakeholder engagement, regulatory impact assessment and *ex post* evaluation, indicators on the independence, accountability and performance of regulators in key sectors (e.g. energy, e-communications, rail transport, air transport and water).
- Chapter 8 on public procurement includes new evidence on strategic public procurement with a focus on responsible business conduct (RBC), the management of emergency procurement and risks, and the professionalisation of the procurement function.
- To highlight the growing focus on improving the measurement of outputs and outcomes of governments, Chapter 13 includes a new indicator on internal political efficacy or people's ability to participate in politics. In addition, it includes a more comprehensive set of measures on trust in different institutions and the evolution of levels of trust in government during the first wave of the COVID-19 pandemic.

New features in this edition of *Government at a Glance* include:

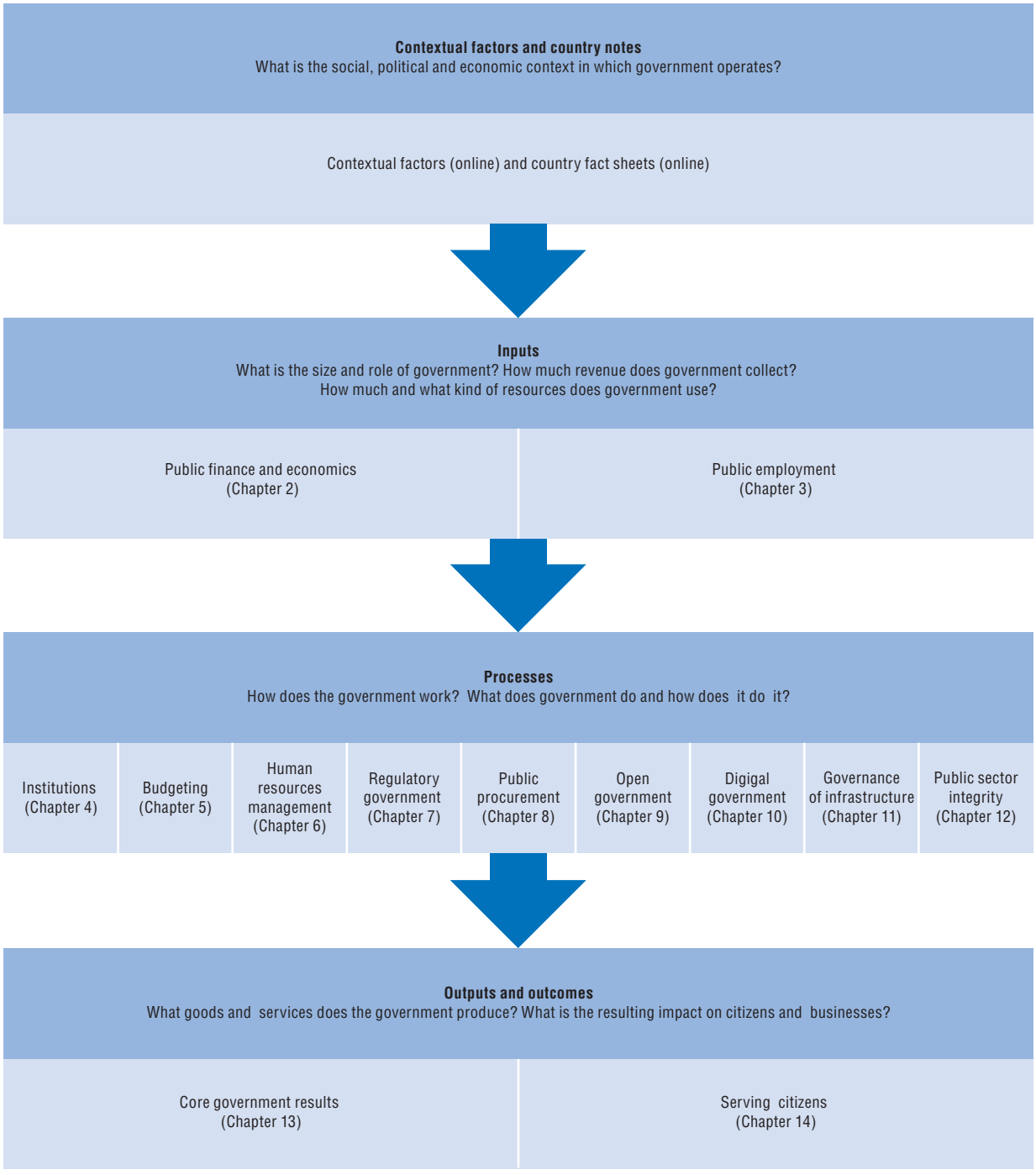
- Chapter 4 presents a new series of indicators on public communication and management of COVID-19 responses. While the chapter on institutions addressing practices of the centre of government (CoG) has been a recurring issue in past editions of *Government at a Glance*, this edition places a particular focus on communication during crises and the immediate and planned response to the COVID-19 pandemic.
- Chapter 9 on open government is based on a new questionnaire designed to measure the 2017 Recommendation on Open Government. It displays specific aspects related to open government literacy in administration, citizen and stakeholder participation portals and the implementation of access to information laws.
- Chapter 10 on digital government presents for the first time the results of the Digital Government Index (DGI) and the role of data as a strategic asset within the administration.
- Chapter 11 on the governance of infrastructure is included for the first time in *Government at a Glance*. The questionnaire informing this chapter has been designed to measure implementation of the 2020 Recommendation on the Governance of Infrastructure.
- Chapter 12 on public sector integrity includes indicators on the existence of integrity strategies, based on the 2017 OECD Recommendation on Public Sector Integrity as well as evidence on transparency in lobbying activities.

Framework and structure of the publication

Government at a Glance covers the 37 OECD countries and includes data, when available, on accession countries (Costa Rica) at the time the report was compiled as well as other major economies such as Brazil, China, India, Indonesia and South Africa. These countries play a significant and increasing role in the world economy and international political structures. At the time of drafting, Costa Rica was still an accession country and is therefore treated as such throughout and not included in OECD averages. It will be considered as a full OECD member from the next issue of the report.

This seventh edition of *Government at a Glance* includes contextual information as well as input, process, output and outcome indicators. The diagram below presents the conceptual framework for *Government at a Glance*.

Conceptual framework for Government at a Glance 2021



Context

Contextual factors (online) present information on some key features of the political and administrative structures for each OECD country. Considering contextual information makes it possible to understand the major institutional differences and similarities among countries, and thereby help to identify comparators for benchmarking purposes. In addition, the country fact sheets (online) provide a country-by-country storyline on how the data provided in *Government at a Glance* apply to the specific context of public sector reforms in OECD countries and some accession countries.

Inputs

Inputs refer to the resources used by governments in their production function, as well as how they are mixed; these resources correspond to labour and capital. The chapters that describe these inputs are "Public finance and economics" (Chapter 2) and "Public employment" (Chapter 3), including indicators on government expenditures, production costs, employment and the composition of the public sector workforce. Differences in these indicators can help readers understand the different capacities of governments in producing and delivering public goods to citizens. Chapter 1 discusses how the COVID-19 crisis is bringing to the fore the importance of government information and public assets as potential additional categories of inputs.

Processes

Processes refer to the public management practices and procedures undertaken by governments to implement policies. 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 and openness of government actions. Public sector reforms often target these processes; as such, they capture the public's attention. This edition contains information on government institutions, budget practices and procedures, human resources management, regulatory governance, public procurement, open government data and the governance of digital government strategies, governance of infrastructure, and public sector integrity (Chapters 4-12).

Outputs and outcomes

The dividing line between outputs and outcomes can be blurred. While outputs refer to the amount of goods and services produced by governments, outcomes show the effects of policies and practices on citizens and businesses. The success of a given policy should be measured, at a first stage, by outputs, but should ultimately be judged by the outcomes it achieves. Generally speaking, outcomes refer to the effects of public programmes and services on citizens, in improvements to welfare, health, educational/learning and so on. While these outcomes can certainly be affected by the quality of programmes and services provided, they can also be affected by other factors, such as the socio-economic background of the population and individual behavioural factors.

In *Government at a Glance 2021*, measures of outputs and outcomes are provided in two separate chapters:

- Chapter 13 on core government results focuses on whole-of-government aspects, such as the confidence of citizens in their national government, the rule of law, income redistribution and broad measures of cost-effectiveness (outcome-based).

- Chapter 14 on serving citizens follows a sectoral approach to measuring the outputs and outcomes of public sector activities. Based on a consolidated framework developed with other OECD directorates, and in collaboration with OECD countries, the chapter provides measures of services to citizens in terms of access, responsiveness and quality in three sectors: health care, education and the justice system. A methodological paper testing the robustness of the selection of indicators to measure the dimensions of the serving citizens framework will be published together with this publication.

Future activities

In order to produce *Government at Glance*, the OECD works in close co-operation with other organisations, including the International Labour Organization (ILO), the World Justice Project, the European Commission for the Efficiency of Justice (CEPEJ), Gallup and the European Commission, to provide a comprehensive view of what governments do and how they do it, while avoiding duplication of data collection. Co-operation will continue to be strengthened to ensure the comparability of data across countries covered in *Government at a Glance*.

For future editions of *Government at a Glance*, the following activities are planned:

- Update and expand the data collection on public finance and public expenditures by government function, especially beyond OECD EU member countries.
- Develop new composite indicators measuring "intermediate outcomes", including in the areas of governance of infrastructure, green budgeting and open government.
- Explore the inclusion of new outcome indicators in areas closely related to major public governance principles or sectors that have a large impact on citizen wellbeing (e.g. satisfaction with democracy).
- Generate primary comparative evidence on institutional trust and its determinants (e.g. responsiveness, reliability, openness, integrity and fairness) using household surveys through the OECD Trust Survey.
- Include new indicators to measure the delivery of administrative services (e.g. permits) to citizens.
- Explore the inclusion of non-consolidated data on recent trends of public expenditure by large functions.
- Deepen the already existing work between the OECD Secretariat and other OECD directorates regarding the possible use of new methodologies for both data collection and analysis, such as text mining or big data, as well methodologies to develop dashboard and composite indices on qualitative variables.

Regional editions of Government at a Glance

The first edition of the Western Balkans *Government at a Glance* was published in June 2020 and the third edition of the Latin America and the Caribbean *Government at a Glance* in March of that same year. Additionally, the Southeast Asian *Government at a Glance* was published in September 2019. These publications provide the latest available data on public administrations in Latin America and the Caribbean, Southeast Asia, and the Western Balkans region and compare them to OECD countries. These regional editions allow the Government at a Glance dataset to be enlarged to include 28 countries beyond OECD membership.

All data and indicators on public governance are accessible online

All data collected by the OECD Public Governance Directorate for the production of *Government at a Glance* (starting with the 2015 edition), and for other purposes, are available online at *https://www.oecd.org/gov/govataglance.htm*.

Readers interested in using the data presented in this publication for further analysis and research are encouraged to consult the full documentation of definitions, sources and methods presented in the *Government at a Glance* publication and online.

The *Government at a Glance* statistical database includes both qualitative and quantitative indicators on public sector inputs, processes, outputs and outcomes and is regularly updated as new data are released.

ANNEX A

Reporting systems and sources of countries for government in the National Accounts statistics

Table A.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	SNA2008; OECD Annual National accounts, Financial balance sheets, consolidated/ESA2010; Eurostat Government financial statistics, Annual financial accounts for general government, consolidated*
Belgium	ESA2010; OECD Annual National accounts, General government accounts	ESA2010; 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
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	ESA2010; Eurostat Government financial statistics, Annual financial accounts for general government, consolidated*
Estonia	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*
Finland	ESA2010; OECD Annual National accounts, General government accounts	SNA2008; OECD Annual National accounts, Financial balance sheets, 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	SNA2008; OECD Annual National accounts, Financial balance sheets, consolidated/ESA2010; Eurostat Government financial statistics, Annual financial accounts for general government, consolidated*
Hungary	ESA2010; OECD Annual National accounts, General government accounts	ESA2010; OECD Annual National accounts, Financial balance sheets, 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	SNA2008; OECD Annual National accounts, Financial balance sheets, consolidated/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*
Japan	SNA2008; OECD Annual National accounts, General government accounts	SNA2008; OECD Annual National accounts, Financial balance sheets, consolidated

Table A.1. **Reporting systems and sources of countries** *(cont.)*

Country	Non-financial government accounts	Financial government accounts
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	SNA2008; OECD Annual National accounts, Financial balance sheets, consolidated/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	SNA2008; OECD Annual National accounts, Financial balance sheets, consolidated/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, non-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	ESA2010; Eurostat Government financial statistics, Annual financial accounts for general government, 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; OECD Annual National accounts, Financial balance sheets, consolidated
Sweden	ESA2010; OECD Annual National accounts, General government accounts	SNA2008; OECD Annual National accounts, Financial balance sheets, consolidated
Switzerland	SNA2008; OECD Annual National accounts, General government accounts	SNA2008; OECD Annual National accounts, Financial balance sheets, consolidated
Turkey	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		
Costa Rica	SNA2008; OECD Annual National accounts, General government accounts	SNA1993 (GFSM2001)
Russia	SNA2008; OECD Annual National accounts, General government accounts	SNA2008; OECD Annual National accounts, Financial balance sheets, non-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 B

Methodology for revenue aggregates

The following table provides detailed information about how the aggregates of taxes, net social contributions, sales, and grants and other revenues presented in Chapter 2 "Public finance and economics" were constructed from the OECD *National Accounts* data.

Table B.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 C

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 C.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 33 out of the 37 OECD countries (according to time series availability), while second-level COFOG data are usually available for OECD European countries plus Australia, Colombia, Israel and Japan.*

Table C.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.

* First-level COFOG expenditures data are not available for Canada, Mexico, New Zealand and Turkey. 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, Israel and Japan. In addition, these data are available only for selected COFOG divisions in some countries. Efforts are underway to reach agreement with these countries about the submission of these data to the OECD.

Table C.1. **First- and second-level COFOG** *(cont.)*

First-level	Second-level
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.
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

n.e.c.: "not elsewhere classified"

ANNEX D

Classification and definition of occupations

The following classification resulted from the 2020 OECD Survey on Public Service Leadership and Capability, which also used the same definitions as in the 2020 OECD Survey on the Composition of the Workforce in Central/Federal Governments. This classification defines the four main hierarchical levels of occupations.

The classification and the definition of the occupations are an adaptation of the International Standard Classification of Occupations (ISCO 08) developed by the International Labour Organization (ILO). Full definitions are available at *www.ilo.org/public/english/bureau/stat/isco/isco08/index.htm*.

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 D.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.
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. Staff 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.

Table D.1. **Classification and definition of occupations** *(cont.)*

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
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 forward to the 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 who supervise the work of clerical support workers are excluded from this category.

ANNEX E

Methodology for composite indexes on Strategic Human Resources Management

1. Data used for the composite indexes for human resources management (HRM) are derived from the 2020 OECD (GOV) Survey on Public Service Leadership and Capability and the 2020 OECD (GOV) Survey on the Composition of the Workforce in Central/Federal Governments. Survey respondents were predominantly senior officials in central government HRM departments, and the data refer only to HRM practices at the central government level.

2. Each composite index is based on a theoretical framework representing an agreed upon concept in the area it covers. The theoretical framework for these indicators refers to specific principles of the OECD Recommendation on Public Service Leadership and Capability (PSLC) (OECD, 2019[1]), which represents an international consensus on standards for a fit-for-purpose public service. Each index is constructed in close collaboration with experts and reviewed and validated by the delegates of the Working Party on Public Employment and Management.

3. Three composites indexes have been developed to measure contemporary public sector HRM developments and dilemmas on how best to manage human resources in the public sector in the 21st century, such as the extent of proactive recruitment practices, the management of the senior level public service, and the development of a diverse workforce. The variables comprising the indexes were selected based on their relevance to the concept.

4. When making cross-country comparisons, it is important to consider that definitions of the public service, as well as the organisations governed at the central level of government, may differ across countries.

5. Various statistical analyses were conducted to ensure the validity and reliability of the composite indicators. The survey questions used to create the indexes are the same across countries, ensuring that the indexes are comparable. Missing values were at times an issue for the Public Employment and Management database. Different techniques for estimating missing values were used based on the nature of the missing information, including mean replacement, expert judgment and/or eliminating the country from the calculation of each composite indicator. In order to eliminate scale effects, all the sub-indicators and variables were normalised between "0" and "1" prior to the final computation of the index.

6. After testing several weighting options (including equal weighting and factor weights), and based on expert judgement, the index on the Use of Proactive Recruitment Practices was built on equal weights of the components and the index on Managing the Senior Civil Service was built on equal weights of the variables composing each sub-indicator and then equal weights of the sub-indicators composing the overall index. The index on the Development of

a Diverse Central Government Workforce was built with a different weighting structure. To build the composites, all sub-indicators were aggregated using a linear method according to the accepted methodology. Some statistical tools (e.g. Cronbach's Alpha) were also employed to establish the degree of correlation among a set of variables comprising each index and to check the internal reliability of items in a model or survey. This implies that the variables included in an index each has intrinsic value and they capture the same underlying concept. Finally, sensitivity analysis using Monte Carlo simulations was carried out to establish the robustness of the indicators to different weighting options.

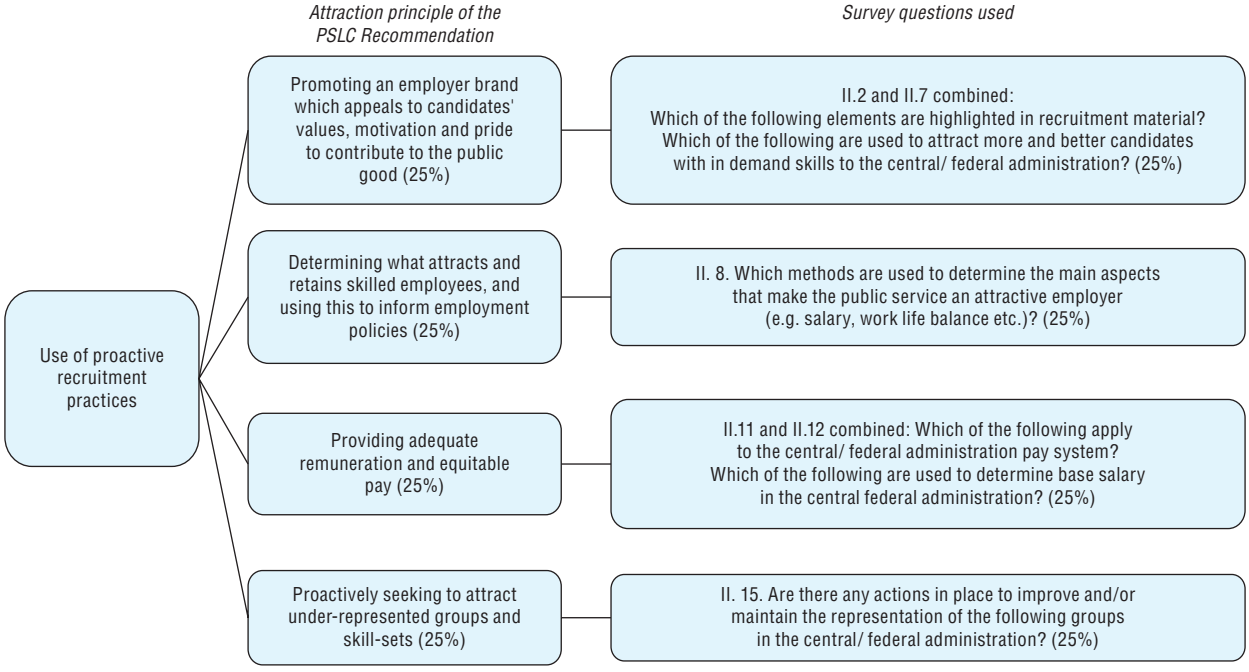
Pilot composite indicator 6.1: The Use of Proactive Recruitment Practices

7. Governments need to attract and recruit people with an increasingly diverse range of skills to keep pace with today's policy and service delivery challenges. This is why the PSLC Recommendation calls on governments to attract employees with the skills and competences required from the labour market, in particular by 1) promoting an employer brand which appeals to candidates' values, motivation and pride to contribute to the public good; 2) determining what attracts and retains skilled employees, and using this to inform employment policies; 3) providing adequate remuneration and equitable pay; and 4) proactively seeking to attract under-represented groups and skillsets. This composite indicator is organised around these four elements, each weighted equally (25%).

Variables and weights

The following items were used in the construction of this index and the weights are indicated in Figure E.1. Roman numerals refer to the module of the 2020 edition of the Public Service Leadership and Capability survey (I. = Leadership; II. = Attraction and retention; III. = Recruitment).

Figure E.1. **Variables and weights used in the Use of Proactive Recruitment Practices index**



Pilot composite indicator 6.3: Managing the Senior Level Public Service

8. Public service leaders – senior level public servants who lead and improve major government functions – are at the heart of government effectiveness. This is why the PSLC Recommendation calls on governments to build values-driven culture and leadership in the public service, in part through building leadership capability. To do this, OECD countries establish senior civil service systems to develop capable public service leaders and hold them accountable for results. This indicator is based on the senior civil service systems framework developed in the recent working paper "Leadership for a high performing civil service: Towards senior civil service systems in OECD countries" (Gerson, 2020[1]). The indicator is divided in two sub-indicators, each weighted equally (half of the final indicator). These sub-indicators measure:

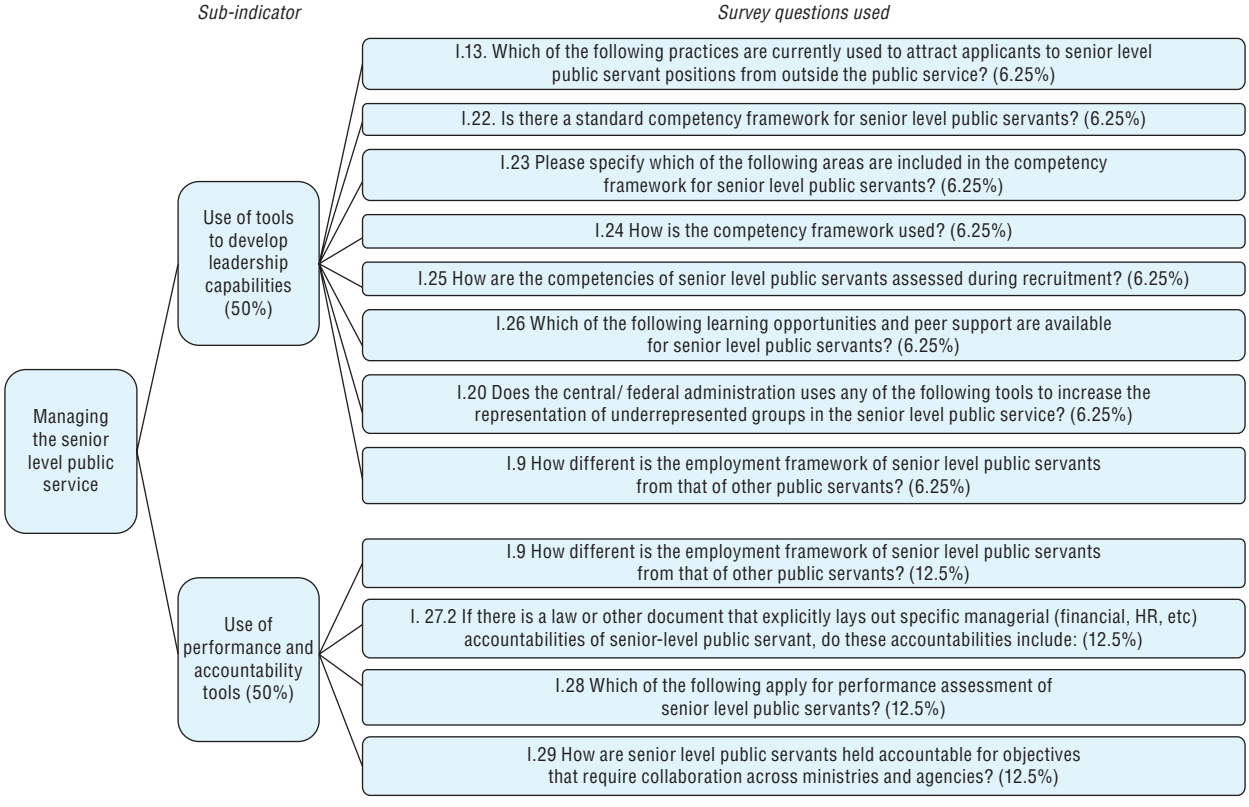
a. the use of tools to develop leadership capabilities within the senior civil service

b. the use of tools to promote accountability for performance and results.

Variables and weights

The following items were used in the construction of this index and were given equal weights (Figure E.2). Roman numerals refer to the module of the 2020 edition of the Public Service Leadership and Capability survey (I. = Leadership; II. = Attraction and retention; III. = Recruitment).

Figure E.2. **Variables and weights used in the Managing the Senior Level Public Service index**



Pilot composite indicator 6.5: Development of a Diverse Central Government Workforce

9. Diversity and inclusion in the public service workforce has been emerging in recent years as a priority for governments across the OECD. The PSLC Recommendation calls on Governments to ensure an inclusive and safe public service that reflects the diversity of

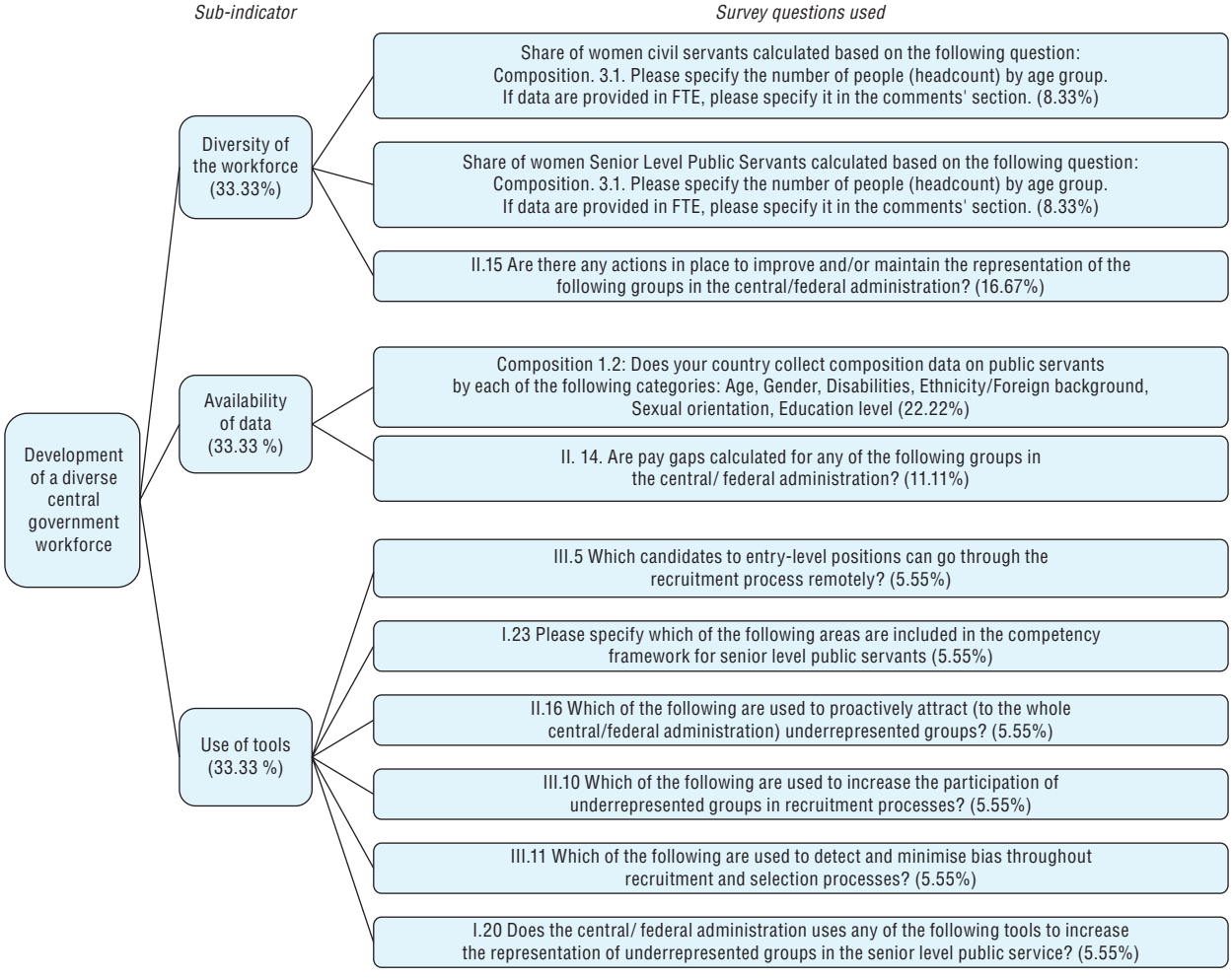
the society it represents, in particular through 1) publicly committing to an inclusive, and respectful working environment open to all members of society possessing the necessary skills; 2) developing measures of diversity, inclusion and wellbeing, and conducting measurement and benchmarking at regular intervals to monitor progress, detect and remove barriers, and design interventions; and 3) taking active steps to ensure that organisational and people management processes, as well as working conditions, support diversity and inclusion. This composite indicator is based on this principle and is the only indicator that combines data from the PSLC and composition surveys. This indicator is divided in three sub-indicators, each with a weighting of one-third of the final indicator. These sub-indicators measure:

a. the diversity of the workforce
b. the availability and use of data to track diversity
c. the use of tools to develop a diverse workforce.

Variables and weights

The following items were used in the construction of this index and the subparts of the index were given equal weights (Figure E.3). Roman numerals refer to the module of the 2020 edition of the Public Service Leadership and Capability survey (I. = Leadership; II. = Attraction and retention; III. = Recruitment).

Figure E.3. **Variables and weights used in the Development of a Diverse Central Government Workforce index**



A detailed annex on the components for each of the three composite indicators is available online at *www.oecd.org/gov/govataglance.htm*, including the variables, answer options, scores and weights used to construct the composite indicators, as well as the statistical analysis carried out.

References

Gerson, D. (2020), "Leadership for a high performing civil service: Towards senior civil service systems in OECD countries", *OECD Working Papers on Public Governance*no. 40, *http://dx.doi.org/10.1787/ed8235c8-en*. [2]

OECD (2019), *Recommendation of the Council on Public Service Leadership and Capability*, OECD/LEGAL/0445. [1]

ANNEX F

Methodology for the OECD Digital Government Index

The OECD Digital Government Index (DGI) monitors the implementation of the OECD Recommendation of the Council on Digital Government Strategies, adopted on 15 July 2014. The recommendation calls for a paradigm shift from e-government to digital government, bringing governments closer to citizens and businesses through the adoption of strategic approaches to the use of digital technology and data to spur more open, participatory and innovative governments (OECD, 2014[1]).

The DGI draws upon the long-standing work of the OECD advising governments to strategise with digital technologies and data for improved and joined-up public services and operations, as well as increased trust in public institutions, as outlined in the OECD Digital Government Policy Framework (OECD, 2020[2]). The framework is a policy instrument to help governments design and implement policies to become digitally competent, and it frames the methodology and survey for the DGI across the six dimensions for digital maturity in the public sector:

- *Digital by design:* when a government governs and leverages digital technologies to rethink and re-engineer public processes, simplify procedures, and create new channels of communication and engagement with stakeholders.
- *Data-driven public sector:* when a government values data as a strategic asset and establishes governance, access, sharing and re-use mechanisms for improved decision making and service design and delivery.
- *Government as a platform:* when a government deploys a wide range of platforms, standards and tools to foster integration and coherence in the public sector as well as to help teams focus on user needs in public service design and delivery.
- *Open by default:* when a government opens up the public government data and policy-making processes (including algorithms), within the limits of existing legislation and balancing the national and public interest.
- *User-driven:* when a government accords a central role to people's needs and convenience in the shaping of processes, services and policies; and by adopting inclusive mechanisms that enable this to happen.
- *Proactiveness:* when a government anticipates people's needs and respond to them rapidly, avoiding the need for cumbersome data and service delivery processes.

Based on the Policy Framework, the DGI is a composite index composed of these six indicators, each equally weighted (1/6 each). The DGI additionally includes four transversal facets for a qualitative analysis on the comprehensiveness of digital government reforms across participant countries: *strategic approach, policy levers, implementation* and *monitoring*.

Data for the first and pilot edition of the DGI were collected through the OECD Survey on Digital Government 1.0, including answers from 33 countries (29 OECD countries and 4 key partner countries)[1].

Statistical analyses

The statistical analyses confirmed that the 210 items in the 6 dimensions measure the underlying concepts. The results obtained from the statistical analyses justified discussing country differences with both the composite score and the dimensions scores.

Four types of statistical analyses were conducted to ensure the highest standards of reliability and validity of the DGI. Descriptive statistics were used to analyse the distribution of dimension scores, with no item whose average value was 0.0 or 1.0. The validity of all the items included in the composite scores has been confirmed. Correlation coefficients between item scores and dimension scores were calculated in order to check construct validity. Polyserial correlation[2] was employed if the number of categories for an item was less than 4, otherwise Pearson's correlation[3] was employed. Items whose correlation coefficients were less than 0.1 were reallocated or eliminated (Ubaldi and Okubo, 2020[3]).

Cronbach's alpha coefficients (α) – computed to verify the reliability of the dimension scores – confirmed the internal consistency for all dimensions (the coefficient ranged from 0.67 for the dimension of *open by default* to 0.91 for *digital by design*). In addition, the correlation between dimensions was analysed. The correlations ranged from 0.20 between *open by default* and *proactiveness* to 0.84 between *user-driven* and *digital by design*, implying that the dimensions measured related concepts. This confirmed the constructed validity of the Survey on Digital Government 1.0. Lastly, the correlation coefficients between the composite score and the dimension scores confirmed the dimensions measure similar aspects with the composite score, with correlations coefficients ranging from 0.65 for *open by default* to 0.93 for *user-driven* (Ubaldi and Okubo, 2020[3]).

Other international benchmarks

The use of digital technologies and data in the public sector has also been of interest to other international and multilateral organisations, with a particular focus on assessing the progress of e-government readiness and the availability of digital public services. Three measurement efforts stand out: the United Nations E-Government Survey, and the E-Government Benchmark and the Digital Economy and Society Index (DESI) of the European Commission (EC).

The United Nations has developed the global and long-standing E-Government Survey, a quantitative composite index to assess the readiness and capacity of public sector organisations to deliver digital services based on website assessment, telecommunications infrastructure and human resource endowment.

The European Commission has advanced the measurement work on digital services through two instruments. First, the EU E-Government Benchmark based on the Tallinn Ministerial Declaration of 2017, the Digital Single Market Vision and broader EU2020 goals. It is a monitoring instrument used by the EC to provide insight into the use of information and communication technology (ICT) in the public sector. Among its components, it evaluates the maturity of public services in terms of user centricity (availability of online services), transparency (implementation of good transparent service procedures), cross-border services and use of key technological enablers.

Second, the EC measures the broader role of digital technologies and data in EU countries through the Digital Economy and Society Index. The DESI encompasses five dimensions to assess Europe's digital performance, with a dedicated dimension for the availability of public

services through digital channels – along with connectivity, human capital, use of Internet services and integration of digital technologies.

Compared to other measurement efforts, the DGI values the "digital by design" principle, where digital technologies are systematically applied to improve policies, services and processes, broadening the scope of citizens' choices to interact with government, regardless their preferred channel (digital or not). The DGI and OECD vision on digital government and public sector data acknowledges the importance of shared tools and mechanisms to attain the full potential of digital technologies, as they enable integration across channels and organisations. In this sense, the DGI covers the implementation of cross-government digital and data standards, key enablers, and principles, as they have a major impact on whole-of-government approaches to a coherent design and provision of services, public sector operations, and decision-making processes.

Notes

1. For detailed information on countries' composite score and score per dimension, please consult Table F.1 (Digital government index dimension scores, 2019) [*https://doi.org/10.1787/888934260054*].
2. Correlation coefficient between a continuous variable and a discrete variable.
3. Correlation coefficient between two continuous variables.

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ANNEX H

Members of the Government at a Glance Steering Group[1]

Country	Name	Title/Position	Ministry
Austria	Michael Kallinger	Head of Unit for Innovative Administrative Development	Federal Chancellery, Public Service and Innovative Administrative Development
Belgium	Jacques Druart	Head of International Co-ordination	Federal Chancellery, Public Service Personnel and Organisation
Canada	Nicholas Chesterley	Director Strategic Planning	Treasury Board
Chile	Raimundo Monge	Head of Interministerial Coordination Division	Ministry General Secretariat of the Presidency
Finland	Katju Holkeri	Head of Government Policy Unit	Ministry of Finance
France	Yves Taupenas	Counsellor	Permanent Delegation of France to the OECD
Hungary	Zsuzsanna Gregor	First Secretary	Permanent Delegation of Hungary to the OECD and UNESCO
Ireland	Evan Coady	Public Policy Counsellor	Permanent Delegation of Ireland to the OECD
Italy	Angela Guerrieri	Manager of the European programming and controls service	Department for Public Administration
Japan	Maki Takahashi	First Secretary	Permanent Delegation of Japan to the OECD
	Laure Millet	Assistant	Permanent Delegation of Japan to the OECD
Korea	Michan Park	Deputy Director	Ministry Interior and Safety in the Republic of Korea.
	Seungchul Ha	Counsellor	Permanent Delegation of Korea to the OECD
Latvia	Inita Paloviča	Deputy Director	State Chancellery Republic of Latvia, Department For Public Administration Policy
	Inese Kušķe	Cross-sectoral Coordinator	State Chancellery Republic of Latvia, Department For Public Administration Policy
Mexico	Guillermo Gutierrez Nieto	Counsellor	Permanent Delegation of Mexico the the OECD
	Adrian Franco Barrios	Vice president	National Institute for Statistics and Geography
	Oscar Silva Lopez	Policy Analyst	Permanent Delegation of Mexico the the OECD
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
Romania	Monica Giurgiu	Coordinator	General Secretariat of the Romanian Government
Slovenia	Klaudia Korazija	Adviser on International Relations	Ministry of Public Administration
Spain	Leon Azcarate	Technical Advisor	Ministry of Territorial Development and Public Administration
Sweden	Love Berggrund	Analyst	Swedish Agency for Public Management, Statskontoret
United Kingdom	Lin Yan	Counsellor and Head of Economic and Social Policy Team	Permanent Delegation of UK to the OECD
	Caleb Deeks	Deputy Director	Cabinet Office

1. 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 set up since the first edition of Government at a Glance (which was published in 2009), meets regularly to advise on the publication and more generally on public governance statistics and data.

Glossary

Terms Used in *Government at a Glance*

Agencies — Organisations at the central level of government which, although typically in the organisational hierarchy are located under the authority of line ministries and report to a minister, can also in some cases report directly to the president, prime minister or cabinet.

Allocation — The designation of funds in the budget to a government programme or organisation. Central budget authorities and line ministries may, based on performance information, increase or reduce their allocations.

Budget — A comprehensive statement of government financial plans which include expenditures, revenues, deficit or surplus and debt. The budget is the government's main economic policy document, demonstrating how the government plans to use public resources to meet policy goals and- to some extent- indicating where its policy priorities lie.

Central Budget Authority — The central budget authority (CBA) is a public entity, or several co-ordinated entities, located at the central/national/federal level of government, which is responsible for budget formulation and oversight. In many countries, the CBA is often within or is synonymous with the ministry of finance/economy.

Centre of Government — The centre of government (CoG) is the institution, or group of institutions, that provides direct support to the chief executive, i.e. president or prime minister, who leads the management of government. Unlike line ministries and other government agencies, the CoG does not deliver services directly to the citizens, and it does not focus on a specific policy area. On the contrary, the CoG performs cross-government functions such as setting overall policy direction and coordinating the activities of different ministries and agencies.

Civil Servant — Civil servants are only those public employees covered under a specific public legal framework or other specific provisions.

Consultation — A more advanced level of participation that entails a two-way relationship in which stakeholders provide feedback to the government and vice-versa. It is based on the prior definition of the issue for which views are being sought and requires the provision of relevant information, in addition to feedback on the outcomes of the process.

Data	A value or set of values representing a specific concept or concepts. Data become "information" when analysed and possibly combined with other data in order to extract meaning, and to provide context.
Digital by default (front-office aspect)	This refers to the decision of making the use of online platforms and channels mandatory or as a clearly preferred means for the interaction of citizens and businesses (e.g. access to public services) with the public sector.
Digital by design (back-office aspect)	The extent to which a government embeds the full potential of digital technologies right from the start when formulating policies and designing services, e.g. digitalising internal processes ("zero paper administration") with the intent to rethink, reengineer and simplify them and make service delivery efficient, inclusive and sustainable for citizens and businesses regardless of the channel used to interact with the public authorities (OECD Concept Note "Digital Government Framework").
Digital Government	Digital government refers to the use of digital technologies, as an integrated part of governments' modernisation strategies, to create public value. It relies on a digital government ecosystem comprised of government actors, non-governmental organisations, businesses, citizens' associations and individuals which supports the production of and access to data, services and content through interactions with the government (OECD Recommendation on Digital Government Strategies).
Effectiveness	The extent to which a policy, programme and/or organisation's stated objectives have been met.
Efficiency	Costs per unit of output. Measuring efficiency aims to measure whether policies, programmes, and/or organisations are achieving the maximum output from a given level of resources (inputs).
Employee engagement	Employees' willingness and ability to invest themselves and their work in the organisation's goals. Employee engagement describes and measures the link between employees, the work they do and the organisations within which they work. The OECD measures employee engagement by assessing job satisfaction, work engagement, and organisational commitment.
Engagement	When stakeholders are given the opportunity and the necessary resources (e.g.information, data and digital tools) to collaborate during all phases of the policy-cycle and inthe service design and delivery.
***Ex-ante* green budget tagging**	The tagging of budget measures in advance of budget execution (i.e. as part of the budget proposal, draft budgetary plans or also budget law) to inform the budget's relevance and contribution to environmental and climate objectives.
***Ex-post* green budget tagging**	The tagging of budget measures after final allocation and/or execution of budget measures to inform the budget's relevance and contribution to environmental and climate objectives.

Full-time equivalent (FTE)	A full time equivalent is a unit to measure employed persons in a way that makes them comparable although they may work a different number of hours per week. The unit is obtained by comparing an employee's average number of hours worked to the average number of hours of a full-time worker. A full-time worker is therefore counted as one FTE, while a part-time worker gets a score in proportion to the hours he or she works.
General employment framework in the public service	Framework establishing the employment conditions for most central government public employees. Legally, this framework can be embodied in civil service or public service law, labour law, or a combination.
Green budget tagging	The identification and tracking of budget measures in accordance to their environmental and/or climate impact. The scope of tagging can include relevant expenditures and revenues that have direct or indirect effects on the climate and environment.
Green budgeting	Using the tools of budgetary policy-making to help achieve environmental and climate goals. This includes evaluating environmental impacts of budgetary and fiscal policies and assessing their coherence towards the delivery of national and international commitments. Green budgeting can also contribute to informed, evidence-based debate and discussion on sustainable growth.
Headcount	The total number of people employed by an organisation
High level official	A senior public official in the ministry. For example permanent secretary, departmental secretary, state secretary, secretary-general, deputy minister, etc.
ICT (Information Communications Technology)	Refers to information technology equipment (computers and related hardware), communications equipment, and software (financial management information systems).
Informal consultation with selected groups	Ad hoc meetings with selected interested parties, held at the discretion of regulators (OECD Regulatory Indicators Questionnaire 2008).
Inputs	Measures of the units of labour, capital, goods and services (or the costs of such units) utilised by government organisations or government-financed organisations to produce public goods and services.
Line Ministries	Central government organisations responsible for designing and implementing policies in line with wider Government policies, and for the direction of agencies/executive units under their authority. Line ministries may be called departments in some countries, and have responsibility for their own budget portfolios although they must report to central budget authorities and are subject to their review.
Minister	The most senior political role within a portfolio. In Westminster system governments, these are typically styled "ministers", but the title varies (OECD Best Practice Principles of the Governance of Regulators, 2014).

Ministry	The term ministry is used in the same way as departments and refers to the organisation headed by a minister/secretary of state who is in direct hierarchical relationship with staff below.
National government	The national, central, or federal government that exercises authority over the entire economic territory of a country, as opposed to local and regional governments.
Outcomes	Outcomes refer to what is ultimately achieved by an activity. Outcomes reflect the intended and/or unintended results of government actions (e.g. policies, programmes and other activities). Examples of outcomes include the change in student test scores following an increase in hours taught, the change in the incidence of a disease following an immunisation programme, or the change in income inequality following the introduction of a new welfare payment. Outcomes are a broader performance metric than outputs, and are harder to measure since generally factors outside of the governments' intervention also play a role in influencing outcomes.
Outputs	Outputs are defined as goods and services produced and/or provided by government (or government financed) organisations. These measures are derived from the direct measurement of output volume. Some examples include: teaching hours delivered, immunisations provided or welfare benefits paid. Outputs tend to be easier to measure than outcomes.
Policy	A government policy is a decision determined by the government to (i) address socio-economic challenges in a country (or in the case of foreign policy, in the country's relations with other countries) and usually also decisions about (ii) how these challenges will be addressed. Policies are governments' main tools for guiding action, and are typically expressed in laws/regulations, official policy statements or guidelines, and institutions which then result in programmes and specific initiatives financed and/or conducted by government organizations to address these challenges. In addition to foreign policy (e.g. rules for governing a Government's relations with other countries), Governments enact fiscal policy (e.g. rules for governing a government's actions with respect to aggregate levels of revenue and spending), monetary policy (e.g. rules for governing a government's influence over money market and credit conditions), as well as environmental policy and social policy (among others).
Regulators	Administrators in government departments and other agencies responsible for making and enforcing regulation (OECD Regulatory Indicators Questionnaire 2008).
Regulatory Impact Assessment (RIA)	Systematic process of identification and quantification of benefits and costs likely to flow from regulatory or non-regulatory options for a policy under consideration. May be based on benefit/cost analysis, cost effectiveness analysis, business impact analysis etc. (adapted from OECD Regulatory Indicators Questionnaire 2008).
Regulatory policy	The set of rules, procedures and institutions introduced by government for the express purpose of developing, administering and reviewing regulation.

Regulatory reform	Changes that improve regulatory quality, that is, enhance the performance, cost-effectiveness, or legal quality of regulation and formalities. "Deregulation" is a subset of regulatory reform (OECD Regulatory Indicators Questionnaire 2008).
Resilience	"The capacity of systems to absorb a disturbance, recover from disruptions and adapt to changing conditions while retaining essentially the same function as prior to the disruptive shock" (OECD, 2019).
Risk	Risk should be understood as the combination of the likelihood of an adverse event (hazard, harm) occurring, and of the potential magnitude of the damage caused (itself combining the number of people affected, and severity of the damage for each) (OECD, Best Practice Principles of Regulatory Enforcement and Inspections, 2014).
Risk Management	Risk management is the application of policies and strategies to preventnew risk, reduce existing risk and manage residual risk, contributing to the strengthening ofresilience and reduction of damages and losses
Spending Reviews	A spending review is the process of identifying scope to make savings, either to reduce overall government expenditure or to identify fiscal space, enabling resources to be reallocated in line with with the government's policy priorities. Spending reviews differ from other types of evaluation by looking not only at programme effectiveness and efficiency under current funding levels, but also examining the consequences for outputs and outcomes of alternative funding levels. Spending reviews will typically review baseline expenditures and may also include specific targets for spending reductions. Spending reviews may be broad based, covering all government expenditures, or limited to certain ministries or programmes.
Strategy	Refers to a document (e.g. policy document, white paper) that defines the vision, objectives, goals, main actors, main actions and system of monitoring (indicators).
Subordinate regulation	Regulations that can be approved by the head of government, by an individual minister or by the cabinet - that is, by an authority other than the parliament/congress. Please note that many subordinate regulations are subject to disallowance by the parliament/congress. Subordinate regulations are also referred to as "secondary legislation" or "subordinate legislation" or "delegated legislation" (Adapted from OECD Regulatory Indicators Questionnaire 2008).
User	A user is understood as citizens, legal entities such as businesses or non-governmental organisations, or civil servants within the public sector itself. The user is most commonly understood as citizens and businesses.

Government at a Glance 2021

The 2021 edition includes input indicators on public finance and employment; process indicators include data on institutions, budgeting practices, human resources management, regulatory governance, public procurement, governance of infrastructure, public sector integrity, open government and digital government. Outcome indicators cover core government results (e.g. trust, political efficacy, inequality reduction) and indicators on access, responsiveness, quality and satisfaction for the education, health and justice sectors. Governance indicators are useful for monitoring and benchmarking governments' progress in their public sector reforms.

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