Indicator Proposal Summary

Full name of the Indicator: Proportion of the population reporting trust in public institutions

Custodian Agency: OECD

Goal and target addressed:

Goal: 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

Target: 16.6 Develop effective, accountable and transparent institutions at all levels.

What type of proposal (replacement, refinement, adjustment and addition), for replacement, refinement and adjustment, please list the original indicator and its number: Addition

1. Background and rationale for the indicator proposal

People's trust in institutions is a prerequisite for good governance, institutional quality and political participation, as it captures the trustworthiness of institutions from the perspective of people themselves. Trust in institutions shapes people's willingness to cooperate with others and hence the type of policies that governments can put in place to address their goals and deliver public goods. Without trust in institutions such as the parliament, the civil service, the justice system and the police, a community cannot perform effectively, and people within it cannot live the sort of life they wish to pursue. Trust in institutions requires that these institutions are competent and effective in delivering their goals, but also that they operate consistently with a set of values that reflect people's expectations of integrity, accountability and fairness (Murtin et al., 2018; Algan, 2018).

The decline in trust in public institutions experienced by several countries since the 2008 financial crisis has been a source of serious concerns. Trust in a broad range of public and private institutions has fallen most significantly in countries most affected by the crisis, i.e. those that have experienced the largest falls (or the smallest growth) in household income and earnings since 2005, as well as some of the largest increases in long-term unemployment (OECD, 2017). This decline of trust (which in some countries, such as the US – where surveys measuring confidence in federal government go back to the late 1950s – has been declining for decades) has gone hand-in-hand with an increase in non-mainstream voting and the spread of populism (Inglehart, Norris, 2016; Algan et al., 2017).

2. Information on how and when the methodology has become an international standard and who is the governing body that approves it

The *2017 OECD Guidelines on Measuring Trust* provide guidance on collecting, publishing and analysing trust data, with the goal to encourage their take-up by National Statistical Offices and to improve the quality and availability of official trust data.

The Guidelines were prepared under the guidance of an advisory group of experts from statistical offices, researchers and policy makers in response to a demand from OECD Ministers to improve the quality of existing trust metrics. They reflect input by delegates from the OECD Committee on Statistics and Statistical Policy (which gathers the Chief Statisticians of OECD and partner countries) and the OECD Public Governance Committee. These Guidelines represent the natural reference point for the international statistical community in this field. They draw on international evidence well beyond OECD countries: data on trust in institutions from 124 countries were gathered by the OECD to support the analysis feeding the Guidelines.

The importance of institutional trust has been underlined by other initiatives: a *Review on Governance Statistics* undertaken by the Conference of European Statisticians identified trust as key aspect of governance (UNECE, 2016), while the forthcoming *Handbook on Governance Statistics*, developed by the UN Praia Group, includes a chapter on trust. Improving the measurement of trust figures among the 12 recommendations of the report of the OECD-hosted High Level Expert Group on the Measurement of Economic Performance and Social Progress (the successor of the Stiglitz-Sen-Fitoussi Commission) (Stiglitz et al., 2018).

3. Data sources and data availability

Internationally comparable and frequently updated data on people's trust in the national government are available for over 160 countries via the Gallup World Poll since 2006. Data for all OECD countries are included in the biannual OECD *How's Life?* report.

Gallup World Poll data could be used as provisional baseline estimates until comparable official data on trust become available in a sufficient number of countries. A similar approach has been used by the IAEG in the case of the indicator on "prevalence of moderate or severe food insecurity in the population" (Target 2.1), for which the custodian agency (FAO) is also supplying provisional baseline estimates from the Gallup World Poll (http://www.fao.org/in-action/voices-of-the-hungry/sdgs/en/).

Already today, statistical offices use trust questions in their official surveys that are in line with the OECD recommendations, while close variants of these are included in a wide range of official and non-official surveys. Official initiatives focusing on trust include the GPS modules implemented by several African NSOs and data collection in Australia, Canada, Mexico, New Zealand and Poland. Eurostat also recently included a trust question in its 2018 ad-hoc well-being module to EU-SILC. The OECD has complied data on people's trust in different institutions (political, law and order, and non-political) for 124 countries worldwide from different sources spanning 2002-15 into an OECD Trust Database.

4. Confirmation/explanation of joint submission with other partner/co-custodian agencies N/A

5. Conclusion

Both theoretical and empirical arguments support the inclusion of a measure of trust in institutions to complement existing indicators for Target 16.6. Trust has been recognized by the statistical community as essential for good governance, and methodological work on its statistical quality (e.g. through the *OECD Guidelines on Measuring Trust*) supports data collection by official statistics. Internationally comparable and frequently updated non-official data are already available for the large majority of countries worldwide, with more statistical offices ready to join this data collection effort. Inclusion of this indicator in the IAEG 2020 revision would accelerate convergence in measurement practices among the several national statistical offices already active in this field.

References

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Algan, Y., S. Guriev, E. Papaioannou and E. Passari (2017), "The European Trust Crisis and the Rise of Populism", *EBRD Working Paper No. 208*, http://dx.doi.org/10.2139/ssrn.3128274.

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