

OECD *Multilingual Summaries*

Government at a Glance 2011

Summary in English



- Measuring government performance has long been recognised as necessary for improving the effectiveness and efficiency of the public sector. Following the fiscal and economic crisis that began in 2008, however, accurate and timely data are needed more than ever to help governments make informed decisions about how and where to prioritise spending, reduce costs and promote innovation in the public administration. Indeed, restoring public finances in the OECD has led many governments to pursue budget cuts, freeze public sector wages or reduce the size of the government workforce in 2010. Findings from Government at a Glance 2011 have important implications for the policy questions and issues raised by the austerity measures currently being undertaken in the majority of OECD countries.
- Government at a Glance 2011 provides a dashboard of close to 60 indicators for both member and partner countries assembled to help decision makers and the public analyse and benchmark government performance. The publication includes data from across the entire “production chain” of government activities: information on revenues received; input indicators on government expenditures, employment and compensation; output and outcome data for government as a whole and for particular sectors such as education, health and tax administration. Furthermore, Government at a Glance publishes comparative data on public management practices relating to transparency and integrity, regulatory governance, human resources management in the public service and service delivery. Such indicators provide insights into policy approaches and practical examples of what works and what does not. It also aims to inform public debate on public sector reform policies.

Governments are important players in the economy and society, and it is imperative that they work well

Governments are responsible for promoting economic growth and social development, delivering goods and services, regulating the behaviour of businesses and individuals and redistributing income. The scope and reach of their activities can be reflected by the fact that, in 2009, general government expenditures represented nearly half of GDP on average across OECD member countries. This amounted to about USD 16 000 PPP per person in the same year. For most OECD countries, social protection was the largest category of expenses representing on average close to 34% of total expenditures in 2008. Spending on health (14.7% of total expenditures), general public services (13.1% which include interest payments on debt) and education (13.1%) also constituted considerable shares of total spending. In addition to their spending power, governments are also large employers: on average in the OECD, nearly a quarter of the total labour force works for the government.

Governments have significantly expanded their economic footprint following the crisis

Data from Government at a Glance reveal the extent to which government expenditures increased relative to GDP before and after the crisis. In the pre-crisis period between 2000 and 2007, OECD member countries decreased their share of government spending on average by 0.6 percentage points of GDP. However, after the start of the crisis, the share of government spending increased by 4.9 percentage points across the OECD during 2007-09. Only part of this increase reflects declining GDP; another portion also reflects increased government expenditures sparked by the need to ensure the stability of the financial system and to stimulate the economy in response to the crisis. During 2007-09, the largest increases in government expenditures as a share of GDP occurred in Ireland (+ 12.1 percentage points) and Estonia (+ 10.8 percentage points).

Many OECD governments need to carry out sizeable fiscal consolidation plans to reduce or stabilise debt

There is a general consensus in the OECD that public finances in many OECD countries are on an unsustainable path. To better understand the implications for fiscal policy in the years to come, the OECD has produced estimates of countries' fiscal consolidation needs. According to these, on average an improvement of nearly 4% of potential GDP is needed from the fiscal positions in 2010 just to stabilise the debt-to-GDP ratio by 2026. In addition, offsets of 3 percentage points of GDP on average will have to be found over the coming 15 years to meet spending pressures due to ageing-related costs including health care and pensions. Achieving a path to fiscal sustainability requires an agreement among citizens, businesses and governments about what level of services the public wants governments to provide and to what extent the public is willing to pay for those services.

The majority of OECD countries are implementing - or plan to implement - policies to reduce or restructure the public service

Over three-quarters of the OECD countries that responded to the 2010 OECD Survey on Strategic Human Resources Management report that they are engaged in, or are planning, reforms that will decrease the current size of their public service workforce at the central government level. Additionally, fifteen OECD countries have established replacement ratios to fill the gaps left by staff leaving through retirement. These ratios can range from replacing 1 in 10 workers in countries such as Spain, to 8 of 10 in Israel or Korea.

New compensation data for key central government professions point to fairly egalitarian pay structures in the public sector

For the first time, the OECD has collected data on the compensation of central government employees in core ministries, specifically for senior managers, middle managers, professionals and secretaries. For these professions,

the data show relative total remuneration across OECD countries, including not only salaries and wages, but also social benefits and future pension earnings. On average, senior managers' total compensation in responding countries amounted to just under USD 235 000 PPP in 2009, while professionals such as economists or statisticians earned approximately USD 90 000 PPP annually. Executive and administrative secretaries received on average between USD 50 000 and 60 000 USD PPP. These data reveal a fairly egalitarian pay structure in the public sector: senior managers in central government (which can be equivalent to Deputy Ministers or Chief Executives) make 2 times the amount of policy analysts and about 4.5 times that of the average secretary's compensation. Government at a Glance 2011 also provides data on teachers', doctors' and nurses' wages or annual income in relation to the average earnings of other university-educated professions in the labour market.

Disclosures of private interests by those in "at-risk" positions in government are not always required or made available for public scrutiny.

Government at a Glance 2011 provides new data on disclosure of private interests in the three branches of government, as well as the disclosure requirements for "at-risk" positions such as financial authorities, procurements agents, and tax and custom officials. Results show that the prevention of potential conflicts of interest in at-risk areas, for instance, focuses primarily on the disclosure and prohibition of outside positions and gifts. Meanwhile, 63% of member countries do not require financial regulators to disclose previous employment, and over half of countries do not require disclosure of income source and amounts for these positions.

Businesses continue to outdo citizens in the use of online government services

Both citizens and businesses increasingly prefer and use digital channels to interact with governments. However, although citizens' use of online services has increased in recent years in all OECD member countries monitored by the European Commission, it is businesses who are still taking better advantage of e-government services. On average, in 2010, about 80% of businesses had used e-government services compared to approximately 40% of citizens. The relatively higher uptake of online services by firms can be explained by greater use of broadband among businesses and by the provision of incentives from government to use electronic means of communication for such activities as public procurement. Increasing take-up amongst users will be critical in making e-government services a more cost-effective and viable mode of service delivery for governments.

Countries are taking steps to restore trust by opening up government information and data

Freedom of information (FOI) laws are a fundamental pillar of open government, and contribute to strengthening transparency, enhancing government accountability and promoting informed participation in policy-making. Today, all but one of the countries responding to the OECD 2010 Open Government Survey has FOI legislation/regulations in place to guarantee rights to access to information. In most OECD countries, the reach of FOI laws extends vertically to all levels of government and, for about half of them, horizontally to all branches of central government (legislative, judicial and executive). Furthermore, all OECD countries are proactively publishing public information, although the types of information proactively disclosed varies widely: a majority of countries proactively disclose budget documents, annual ministry reports, and audit reports, but a smaller number proactively publish lists of public servants and their salaries. A growing trend in the OECD is the publication of administrative information in open data formats. This allows for the re-use of public information by other parties and promotes innovation.

Strategic thinking and strong leadership in the public service are more important than ever

Building government capacities for strategic foresight and risk management will be important to mitigate future crises and adapt to changing conditions. New data on the extent to which OECD governments utilise strategic management practices in central government show that, while most countries have workforce planning mechanisms in place to consider such issues as demographic changes, many only implement such practices in an ad hoc manner. Other issues such as possibilities for outsourcing and/or incorporation of information technologies in service delivery

receive less attention in HR planning exercises. Developing strategic policies which consider changing trends and citizens' needs is certainly important, however implementing such initiatives in an effective and coherent manner across the whole of government requires also strong and talented cadre of senior civil servants. The majority of OECD countries consider senior civil servants as a separate group under their General Employment Frameworks. But survey results demonstrate that - in practice - some OECD countries are better than others at identifying potential senior civil servants early on in their careers, placing greater emphasis on their performance assessments, or incentivising them to perform at their best.

The scope of OECD countries' average public procurement spending is significant, opening the doors to both threats and opportunities

The estimated size of public procurement markets exceeds, on average, 12% of GDP in the OECD area. The possibilities therefore for government to utilise procurement spending as policy tools to promote innovation and more sustainable consumption and production are important. However, only 57% of countries have a formal definition of what constitutes green procurement, for example, and very few countries collect data on the number or value of contracts awarded based on green criteria. At the same time, the scope and complexity of such transactions can be vulnerable to waste, fraud and corruption. Governments must curtail these threats with greater transparency and disclosure.

These and other important findings from Government at a Glance 2011 demonstrate the value and the role that evidence can and should play in policy-making. Additional information regarding the project, supplemental data, as well as individual country notes are available at: www.oecd.org/gov/indicators/govataglance. The publication also offers StatLinks, a service that allows readers to download the corresponding Excel files of the data featured.

© OECD

Reproduction of this summary is allowed provided the OECD copyright and the title of the original publication are mentioned.

Multilingual summaries are translated excerpts of OECD publications originally published in English and in French.

They are available free of charge on the OECD Online Bookshop www.oecd.org/bookshop

For more information, contact the OECD Rights and Translation unit,

Public Affairs and Communications Directorate at: rights@oecd.org or by fax: +33 (0)1 45 24 99 30.

OECD Rights and Translation unit (PAC)

2 rue André-Pascal, 75116

Paris, France

Visit our website www.oecd.org/rights

