



A SPECIAL REPORT ON BIG DATA, SOCIAL MEDIA AND POLITICS

**The Economist**

**Europe's new normal:**  
The aftermath of terror in Brussels



# Winners take all

Why high profits are a problem for America



# EL PAIS

DIARIO INDEPENDIENTE DE LA MAÑANA  
www.elpais.com

## ES UNIDAS SOBRE EL CALENTAMIENTO DEL PLANETA **limático traerá más calor, as y lluvias torrenciales**

cerrado el debate sobre las consecuencias del 'efecto del hombre es la causa de un fenómeno irreversible

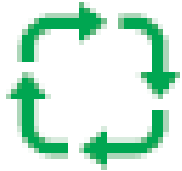
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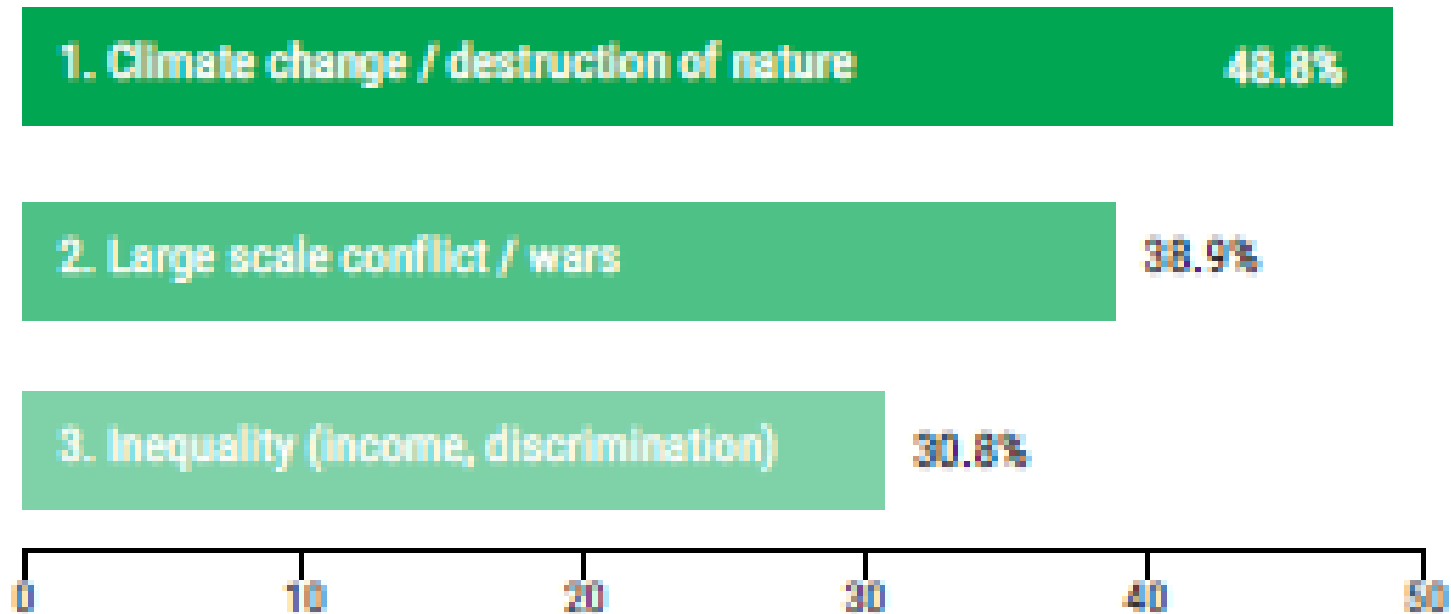




# Climate change and inequality are among top most concerning global issues



**Climate change / destruction of nature** comes as the most serious global issue with 48.8% of votes



Source: 2017 World Economic Forum, Shapers Survey



IS THERE A CONNECTION  
BETWEEN PEOPLES' TOP  
CONCERNS AROUND THE  
WORLD?

... ASYMMETRICAL  
INFLUENCE



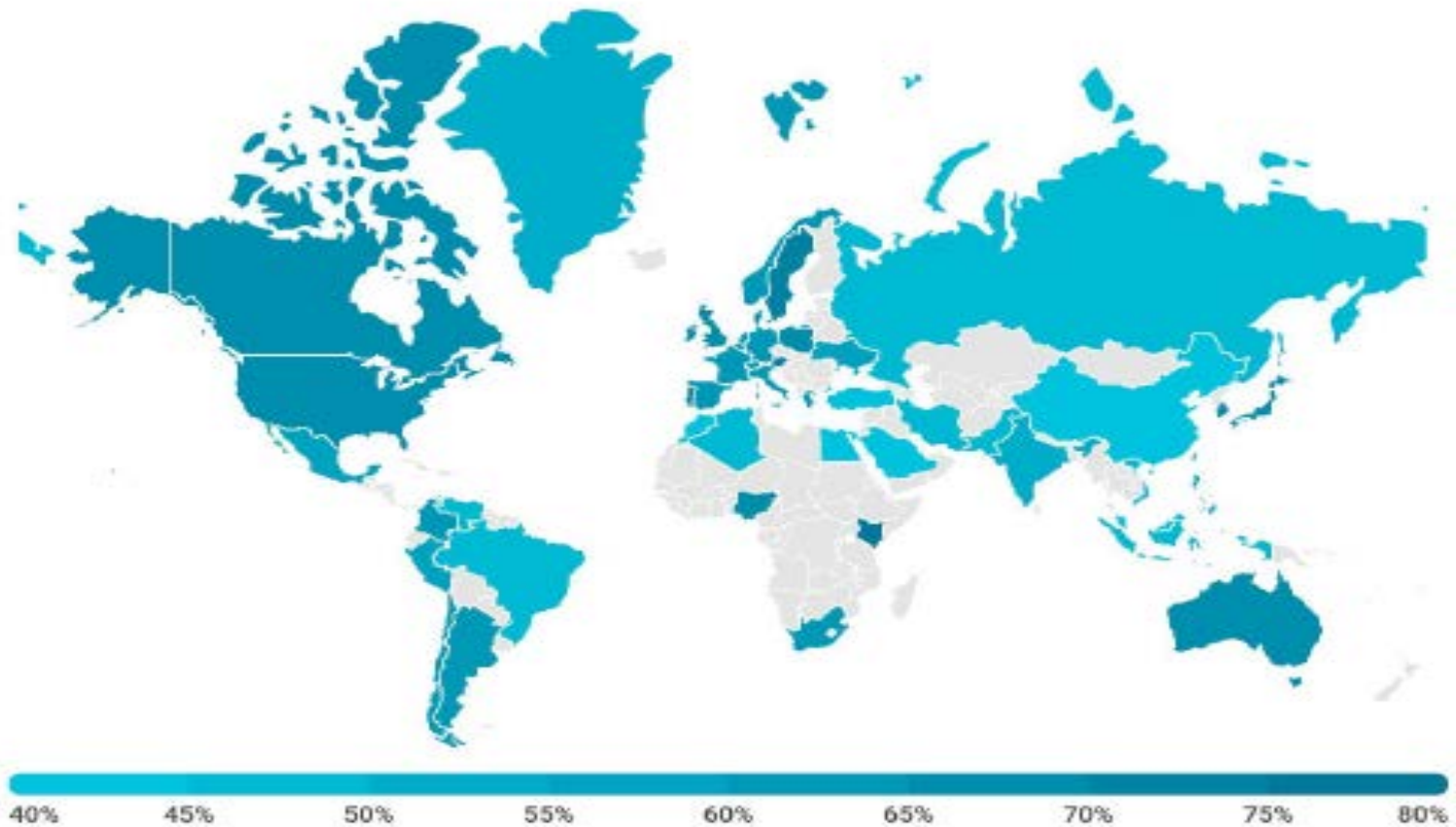
# OECD WORK ON INFLUENCE

Dr. Mariana Prats  
Public Sector Integrity  
Public Governance - OECD



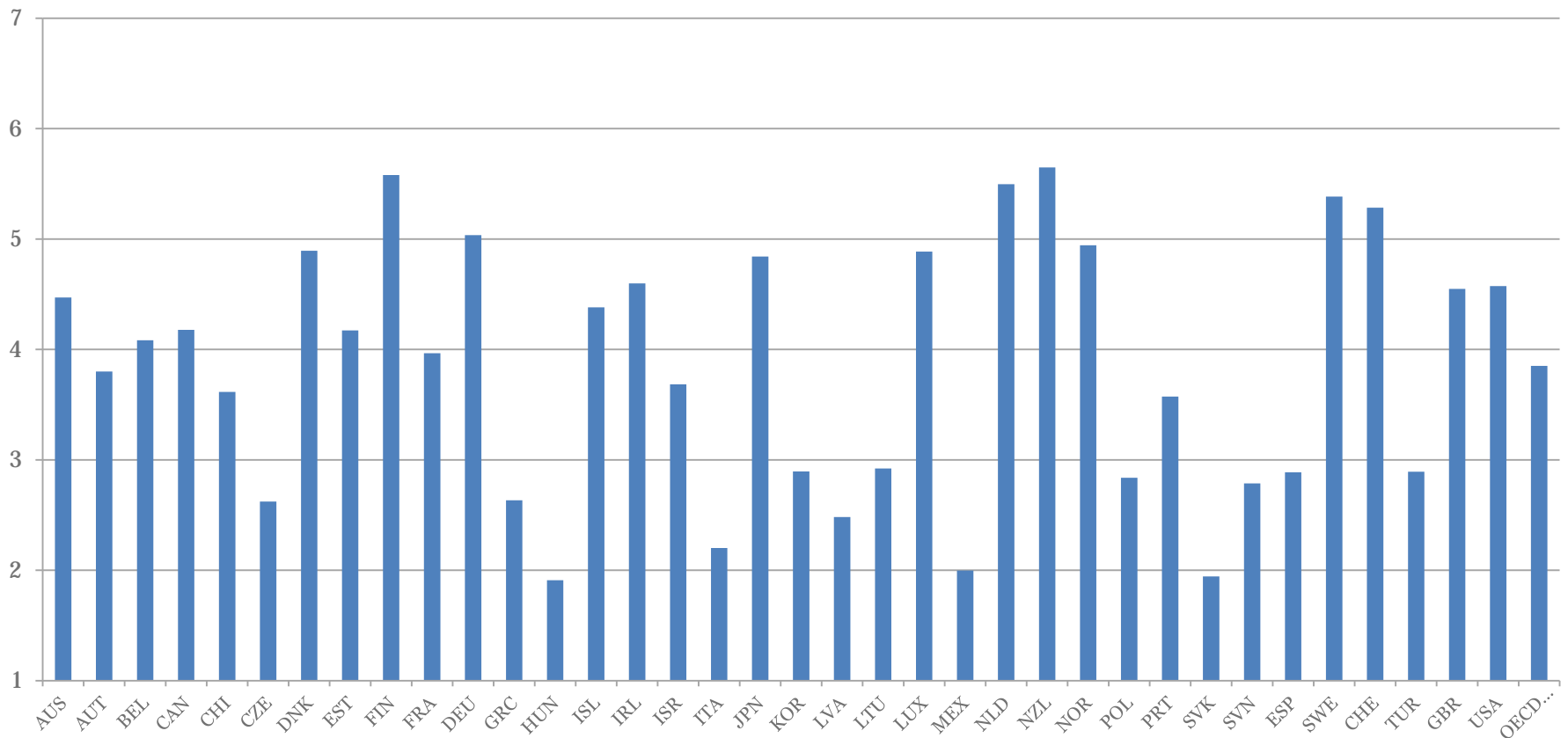
# Widespread feeling of governments' acting in their private interests instead of general welfare...

**Graph 1: Where People Feel Their Governments Aren't Acting in Their Interest**  
(%) of respondents who say they "never" or "rarely" feel their government acts in their interest





# Most OECD countries are perceived as showing favouritism in government decisions

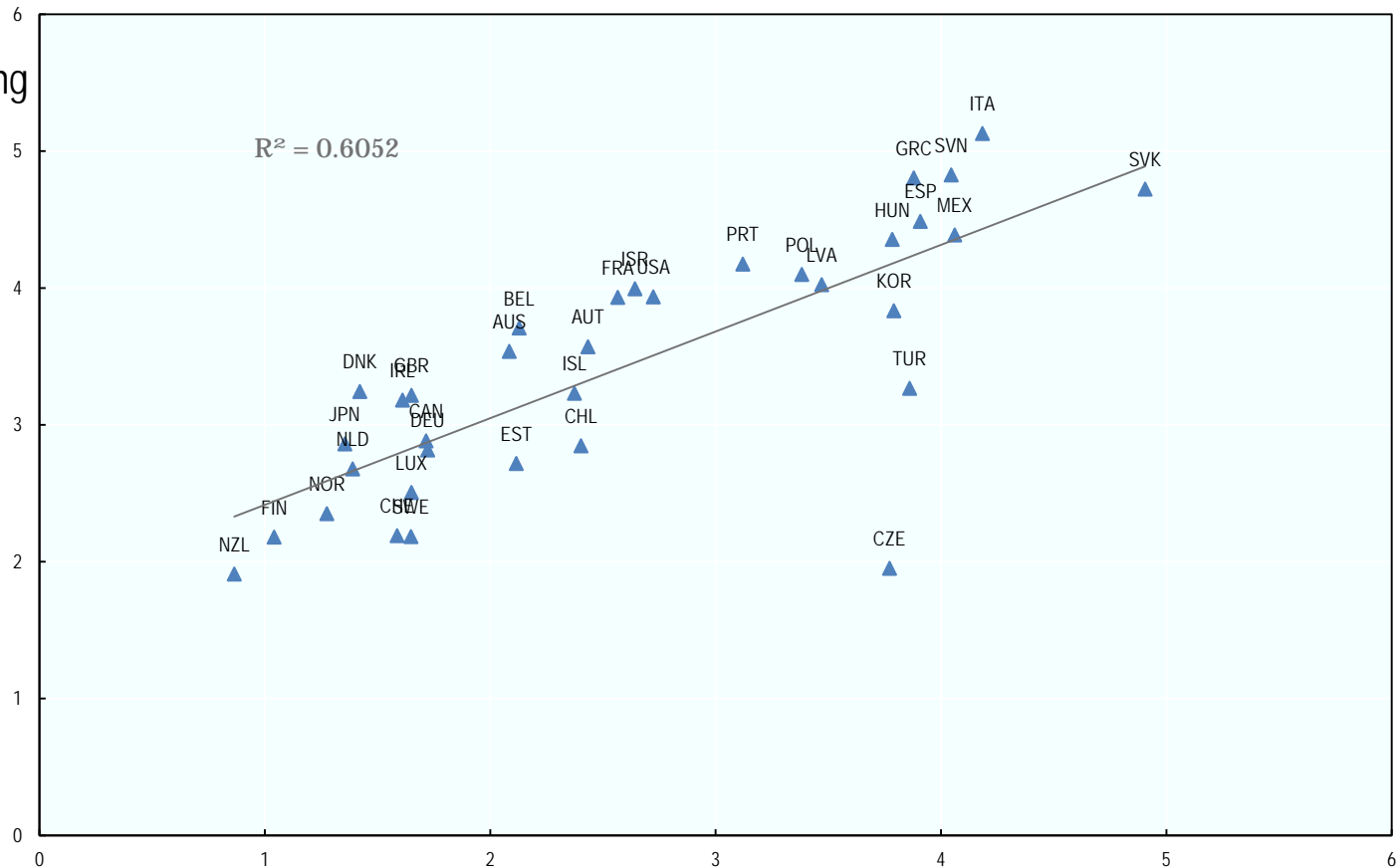


Source: World Economic Forum, Global Competitiveness Index 2017-2018



# Undue influence is related with higher waste of government spending

Wastefulness of government spending



Undue influence

Source: World Economic Forum; Executive Opinion Survey 2014-2015



# Vested interests of sugar industries reveal harmful effects on health policies

## Economic model outputs per year by each scenario

Scenario	Average outcomes <u>per year</u>			
	Years to achieve target	Deaths averted	Caries cases avoided	Total NHS cost saving (£m)
Achieving 5% energy intake for sugar	5	4,700	242,000	576
	10	4,100	204,000	484
	15	3,500	173,000	396

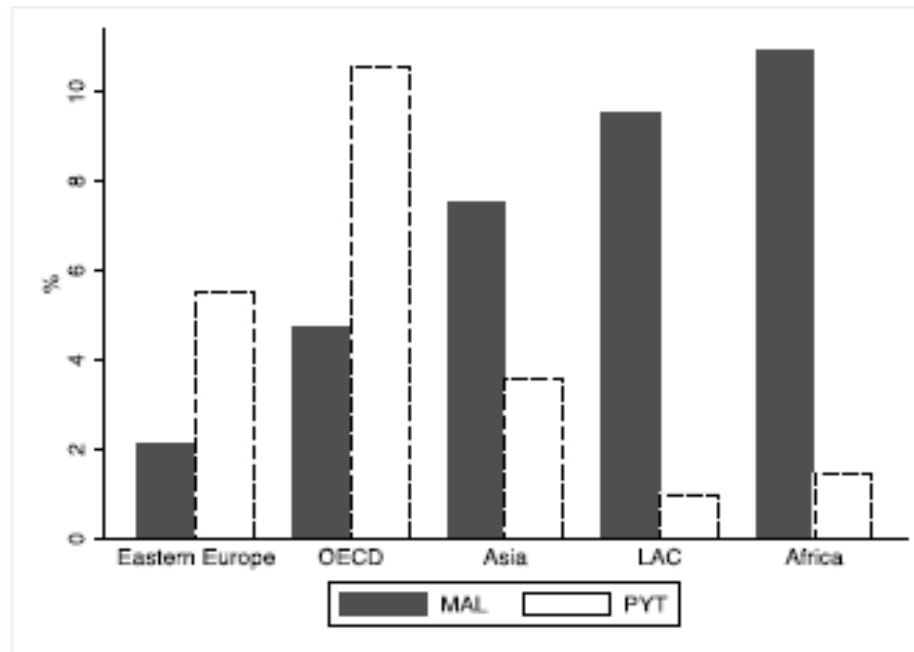
Source: UK Department of Health, 2015 Report "Sugar Reduction: The Evidence for Action"





# Elites influence can lead to persistent unequal tax structures

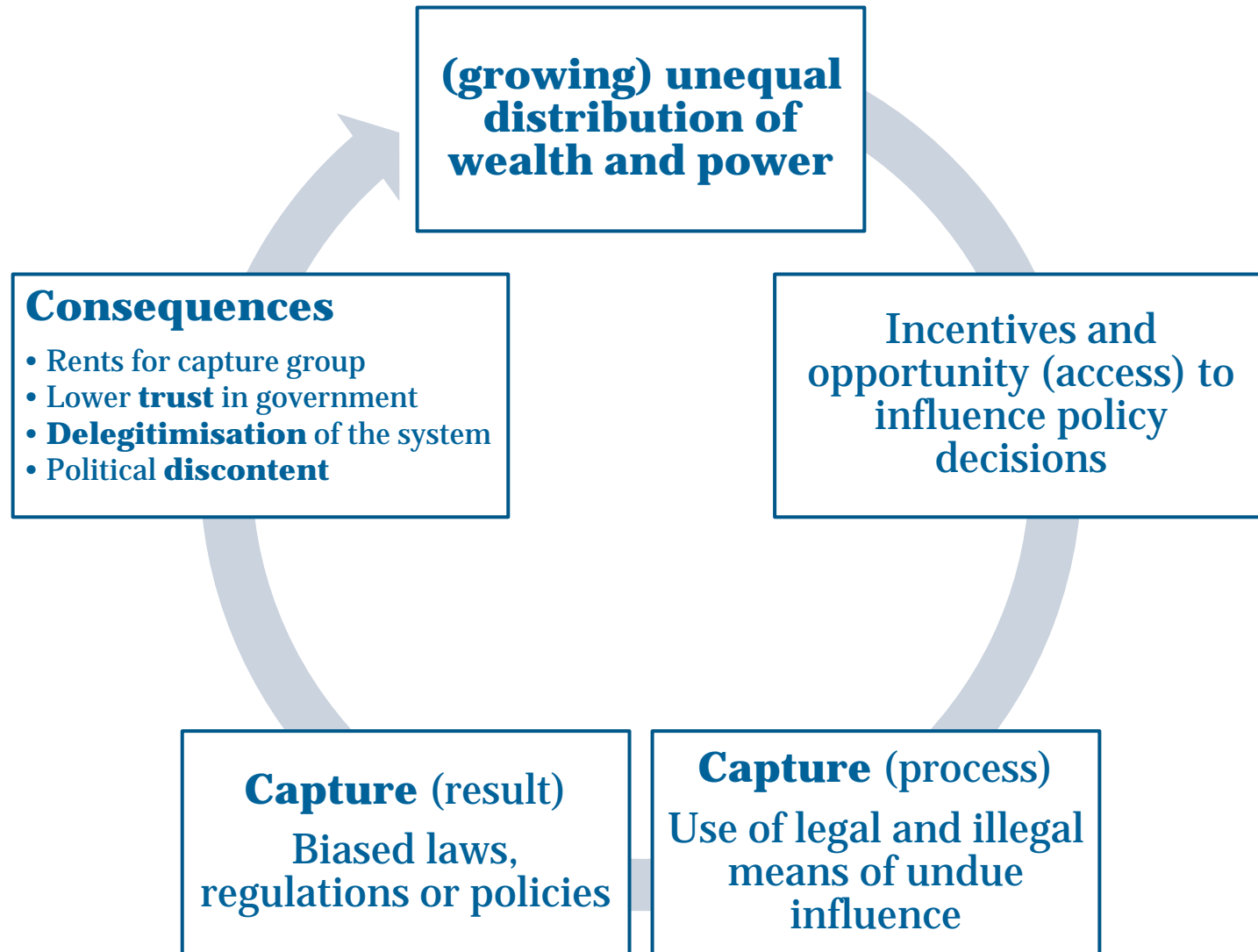
## Political Malapportionment and personal income taxes (% of GDP)



Source: IADB – Ardanaz and Scartascini, 2011



# A vicious, reinforcing, cycle between inequality and policy capture





# HOW TO PREVENT AND DEAL WITH ASYMMETRICAL INFLUENCE?



# OECD Recommendation on Public Integrity



Participation

**13** Encourage **transparency and stakeholders' engagement** at all stages of the political process and policy cycle to promote accountability and the public interest, in particular through:

- a) promoting transparency and an open government, including ensuring access to information and open data, along with timely responses to requests for information;
- b) granting all stakeholders – including the private sector, civil society and individuals – access in the development and implementation of public policies;
- c) averting the capture of public policies by narrow interest groups through managing conflict-of-interest situations, and instilling transparency in lobbying activities and in the financing of political parties and election campaigns;
- d) encouraging a society that includes “watchdog” organisations, citizens groups, labour unions and independent media.

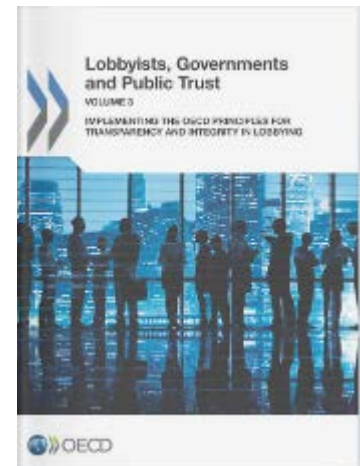




# Recommendation on Principles for Transparency and Integrity in Lobbying

- **Building an effective and fair framework for openness and access**, granting fair and equitable access to decision, defining the activity and developing rules and guidelines according to context
- **Enhancing transparency**, granting access to information or enabling stakeholders to scrutinise lobbying activities.
- **Fostering a culture of integrity**, for example providing clear rules and guidelines of conduct for public officials
- **Designing mechanisms for effective implementation, compliance and review**

But.. most OECD country members still have no regulations on lobbying

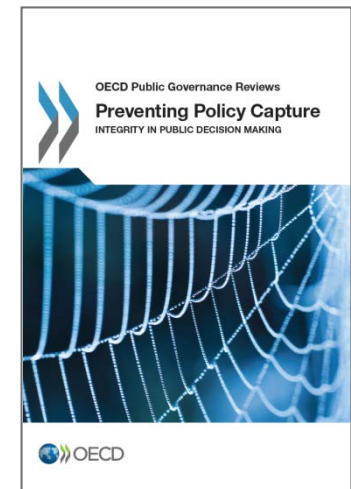




# Preventing policy capture four complementary strategies

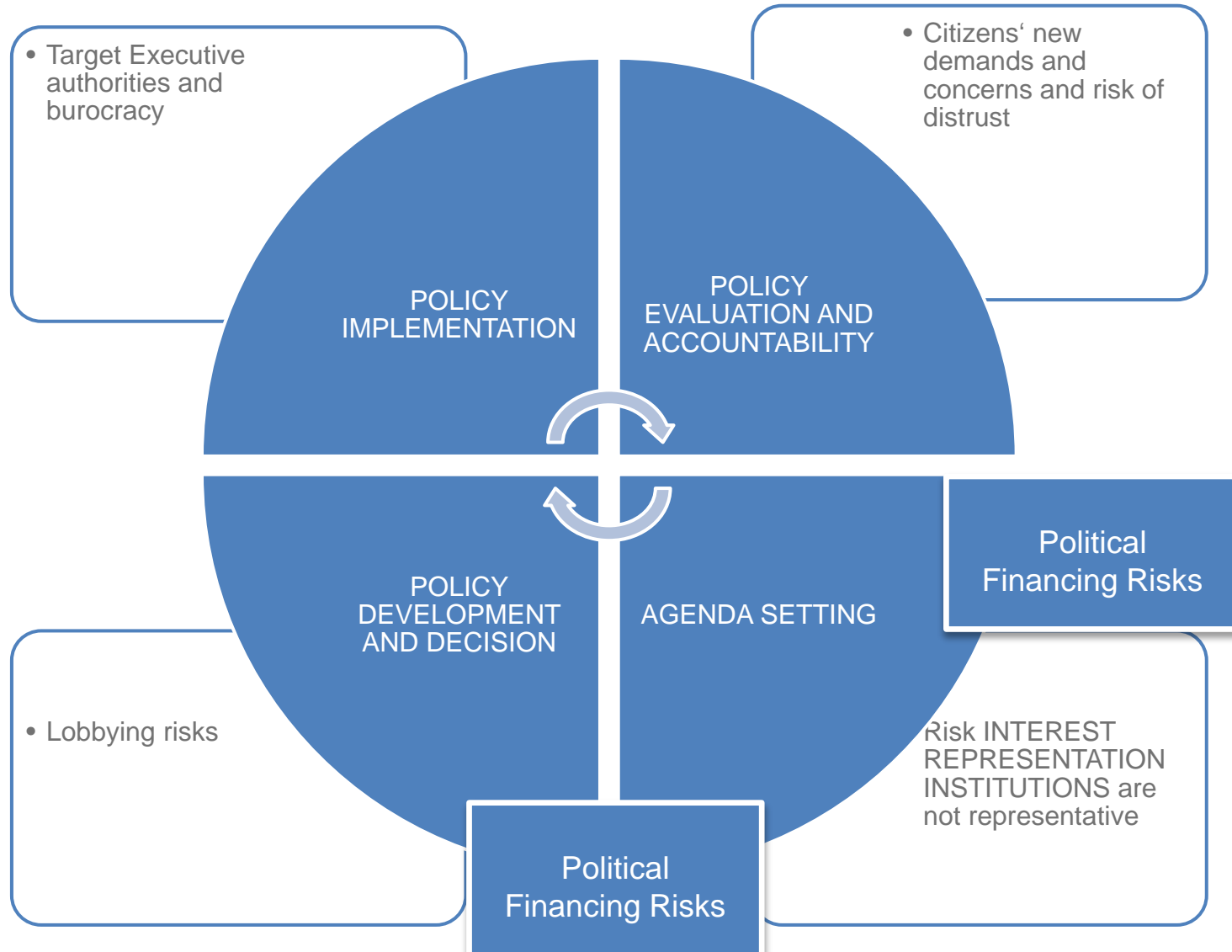



Source: OECD 2017, Preventing policy capture





# Main risks, mechanisms and targets





# What is needed is an equitable and evidence-informed policy-making process

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- Could rebuild trust in governments and provide democracies with a fresh momentum
- Could reduce economic cost of biased and badly designed policies
- Could allow governments to be more independent, redistribute misallocated costs of vested interests and lead to better and more inclusive policies

... It could strengthen efforts on implementation of the Recommendation on Public Integrity







# THREE PILLARS OR PRIORITIES FOR ACTION



# Equitable and evidence-informed policymaking process





# Strengthen Interest Representation Institutions

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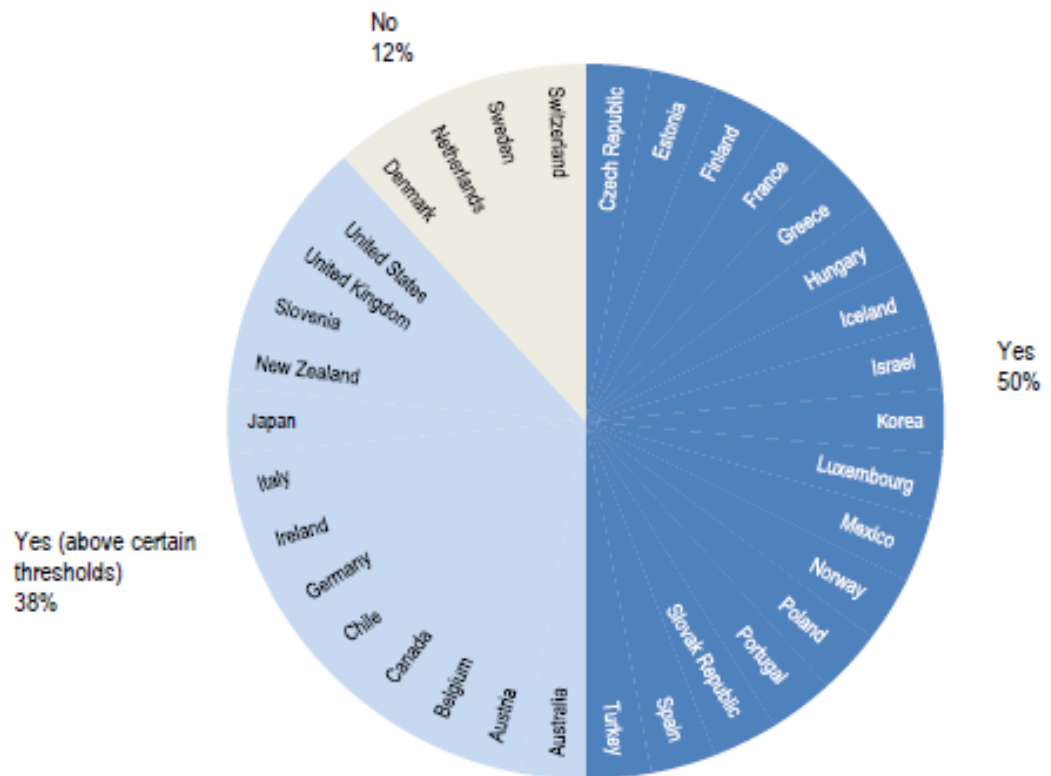
- In the political arena: representative and open parties
- For the economic-labour area: transparent and accountable unions and trade associations
- In the socio-political/cultural area: organizations of representation by issues.



# Improve political finance regulations

38% OECD countries ban anonymous donations to parties only above certain thresholds... there is still room for influence of untraceable and shadowy interest

- Reinforced capacities of audit and transparency of registers
- Timely reporting available to public
- Identify future challenges related with digital era of campaigns



*Note: 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.*

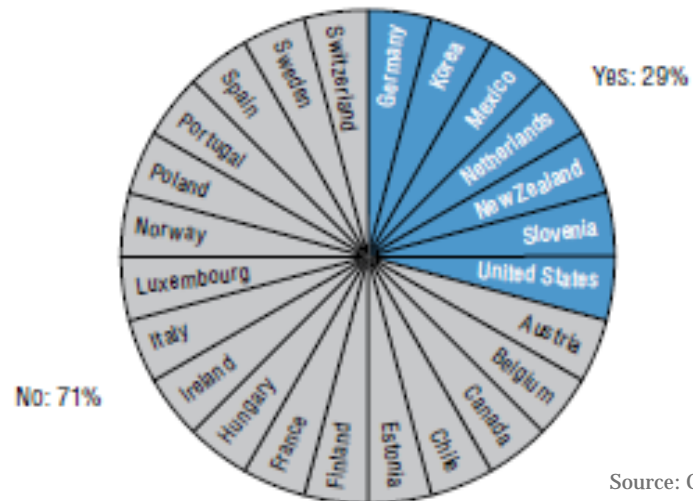
*Source: Adapted from IDEA (n.d.), Political Finance Database, [www.idea.int/political-finance/](http://www.idea.int/political-finance/) (accessed on 27 October 2015).*



# Reduce gaps and widen lobbying regulations

Only 29% of OECD countries restrict lobbyists from being members of advisory groups

**OECD countries' restrictions on lobbyists hired to fill regulatory or advisory posts in government**



Source: OCDE 2013

- More and detailed regulations on revolving door
- Identification, transparency and accountability of think tanks and NGOs
- Reliable evidence and integrity in media/diffusion



THANK YOU

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