



Towards Recovery and Partnership with Citizens: The Call for Innovative and Open Government

BIAC Discussion Points

**To OECD Meeting of the Public Governance Committee
at Ministerial Level**

Venice, Italy, 15 November 2010

The Business and Industry Advisory Committee (BIAC) to the OECD is the officially recognised voice of business at the OECD. BIAC's members include the industrial and employers' organisations in the OECD Member countries.

BIAC welcomes the opportunity to contribute to the OECD Public Governance Ministerial, which takes place at a critical moment in securing a sustainable global economic recovery from the recent financial and economic crisis.

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BIAC Discussion Points to the Meeting of the OECD Meeting of the Public Governance Committee at Ministerial Level

The global economic recovery remains fragile and uncertain and business confidence has not yet recovered. Boosting investor confidence, supporting sustainable business activity and private sector employment creation requires effective government leadership and public services management and delivery, and effective regulation.

As a key stakeholder and a significant user of public services, business is committed to working with governments through dialogue, partnership, and innovation – in both technology and business processes, to positively contribute to more effective and efficient public governance.

The following Discussion Points outline key business messages to the OECD Public Governance Ministerial.

Effective Public Governance for Economic Recovery

- Effective governance should support open competitive markets for trade and investment. Cornerstones of effective public governance include: transparency; accountability; comprehensive and results oriented stakeholder consultation; credible risk assessment; clear communication; access to information; administrative simplification; and efficiently managed resources.
- For many governments, fiscal pressure is real and requires a medium term solution. Business highly appreciates efforts made by the member and non-member OECD governments to consolidate their fiscal positions after the financial crisis.
- As governments undertake fiscal consolidation, business urges governments to articulate clear economic objectives that support private sector growth and job creation, innovation, and entrepreneurship; all essential to long term economic well being and ultimately will restore both revenue and demand in economies.

Regulatory Frameworks for Business Activity and Jobs Growth

- Policy makers need to ensure that regulatory policy creates an environment that rewards work and productive investments, encourages responsible risk taking, ensures transparency, protects intellectual property rights, eliminates distortions of competition, fights protectionism and, identifies and provides sanctions against fraud, corruption and other abuses.
- It is the type of regulatory environment that encourages sustainable private investment and allows companies to produce goods and services, create jobs, develop new technologies, create stakeholder value and pay the taxes that support public services and social security.

- Governments can support private sector growth through:
 - Provision of effective, efficient public services, and regulatory frameworks which support business creation and activity
 - Effective regulatory governance that supports open and competitive markets
 - Ensuring certainty of rules and enforcement
 - Global co-ordination of regulatory frameworks
- Cutting red tape is a shared responsibility that requires close co-operation between government and business. Simplification of existing regulation should focus on areas that are perceived as burdensome by business and address the types of changes that business needs for enhanced productivity and growth. Independent scrutiny, impact assessment and ex-post evaluation are essential efficient new regulation. Business remains concerned about the cumulative effects of regulation and the total cost of complying with regulation, which can constitute a barrier to growth.
- A horizontal approach and cross-sector co-operation are important because regulations are inter-related when dealing with major challenges facing us today.

Business is a Key Partner in Effective Public Governance

- Engaging business in the development of regulatory frameworks helps governments and leaders to better understand emerging business models and the impact of legal environments on business activity, which can benefit the design, efficiency, monitoring, and evaluation of regulatory performance.
- Business also contributes to regulatory policy through initiatives through industry self-regulation, which is an important complement to government regulation. Industry codes and standards should be seen as an important alternative to government regulation, and should be developed in the context of business, government and overall stakeholder dialogue.
- Government actions can be made more effective and efficient including by:
 - Partnering with business to leverage resources, expertise and efficiency through public private partnership projects
 - Engaging business to harness technology, know-how, and innovation in public management and services delivery
 - Supporting industry self regulation, such as industry codes and standards, which can be an important compliment to government regulation.
 - Involving business in regulatory governance through meaningful, comprehensive and results oriented stakeholder consultation
 - Involving business as advisors in the context of government led policy initiatives.

The Role of OECD and Global Co-operation

- The benefits of cross border investment and trade for local and the global economy rests heavily upon rule of law, clarity and certainty of regulation and consistency in application and enforcement of laws and regulations. Global co-ordination of governance frameworks is essential, as national and regional economies become more integrated.
- The work of the OECD Public Governance Committee and the Regulatory Policy Committee taken together, demonstrate the strength of OECD, which is the multidisciplinary approach to issues. OECD instruments for Public Governance for example on public procurement, and on lobbying the OECD Guiding Principles for Regulatory Quality and Performance, the draft OECD Synthesis Report on Regulation Policy, and OECD peer reviews, should be considered in the broader context of OECD engagement with non-OECD economies. These efforts would also benefit the G20 discussions.
- We strongly believe that all stakeholders bring important and valuable perspective to the policy debate thus should be at the table together in discussions such as we are engaging here today.
- BIAC looks forward to continued engagement with OECD and all stakeholders on the issues we have addressed.