

## Business' message to OECD Ministers: Return to private sector-led growth

**Paris, 28 May 2010** – Speaking at the OECD Ministerial Meeting 27-28 May 2010, BIAC urged governments to implement policies enhancing employability, innovation, green growth, and open trade and investment. Unwinding stimulus measures and returning to private sector-led growth is the only long run sustainable path to economic recovery and employment creation.

“As the global economy stabilises and we move into recovery, BIAC believes that we need to move from government stimulus led growth to private sector led sustainable growth and employment,” stated BIAC Chairman Charles P. Heeter. “One precise set of policies is not going to fit every country; however there are some principles that we would like to see governments apply as they choose policies.”

With respect to fiscal consolidation, business prefers spending cuts over tax increases, which would diminish investment and entrepreneurship. Secondly, markets need to be kept open for trade and investment; many BIAC members have talked about how important this has been for their recovery from deep recession. Thirdly, we need to focus on innovation policies and getting the policy environment right for innovation because we will depend on this more and more for growth. Finally, policies should emphasise employability not just employment, including investment in and focus on training and skills development so that workers will be able to adjust to new and better jobs over the course of their working life.

Governments must implement right policies in a timely manner, focusing on structural reforms to deliver better regulation, and ensure that fiscal consolidation efforts, including tax policy, do not distort the capacity of enterprises to grow.

Business understands that governments will look to introduce new regulation, but it should not necessarily be more regulation. Rather it should be smart regulation focused on international standards and common approaches to regulatory problems.

“Innovation and green growth initiatives – high on the OECD’s strategic agenda – should be given priority by governments,” said Dr. Botaro Hirosaki, Senior Executive Vice President and Member of the Board, NEC Corporation.

With regard to the sovereign debt crisis, “governments should continue to unwind extraordinary fiscal, monetary and financial measures adopted during the crisis period, paying due attention to markets, and seeking for international co-operation and collaboration to cope with the critical situation in some economies.” said Mr. Tadahiro Asami, BIAC Secretary General.

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Making reference to the fact that business and labour were invited to participate in the full Ministers' meeting this year, Mr. Heeter added that, "We were pleased to be included, along with TUAC, in the discussions at the highest level with Ministers. "Strengthening OECD-BIAC co-operation is more important than ever. Effective global co-ordination of governments, international organisations and the social partners is indispensable to forming practical solutions for sustaining growth and creating productive jobs in the private sector."

*Founded in 1962 as an independent organisation, the Business and Industry Advisory Committee to the OECD (BIAC) is the officially recognised representative of the OECD business community. BIAC's members are the major business organisations in the OECD member countries and a number of OECD observer countries.*

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