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**OECD MINISTERIAL LEVEL SYMPOSIUM ON PUBLIC GOVERNANCE**

**Note by the Secretariat**

**30th session of the Public Governance Committee  
OECD Headquarters  
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*This note proposes a Symposium on Public Governance for Ministers from OECD countries and from the major emerging nations, in the fourth quarter of 2005. Provided there is consensus on holding the Symposium, the PGC, with the support of the Secretariat, will commence the planning.*

*This proposal is for Committee discussion under Item 6 of the provisional agenda.*

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## OECD MINISTERIAL LEVEL SYMPOSIUM ON PUBLIC GOVERNANCE

1. This note proposes a Symposium on Public Governance for Ministers from OECD countries and from the major emerging nations, in the fourth quarter of 2005. It presents the possible benefits of holding an informal Ministerial in the light of major changes since the last OECD ministerial on public governance, held almost ten years ago. The note also identifies key issues facing governments today, and suggests an overall theme and possible topics. The proposal for a Symposium and an earlier version of this note has been discussed by the Public Governance Committee's Bureau, who decided the Secretariat should put the proposal to the full PGC Committee. The seven points related to the Symposium addressed in this note are:

- 1) Why a Ministerial Symposium now?
- 2) Key issues facing governments today – focus of the Symposium
- 3) Possible outcomes of a Ministerial Symposium
- 4) Who should come?
- 5) Possible title and themes
- 6) Possible format
- 7) Establishment of a Ministerial Symposium Steering Group
- 8) Next steps and actions required by the PGC

### **I. Why a Ministerial Symposium now?**

2. A symposium would allow Ministers to reflect on what has been achieved on the public governance agenda, but more importantly, help them draw public attention to the economic and social issues ahead. Since the last Ministerial meeting, not only has public management policy moved higher up the political agenda within OECD countries, but the quality of public governance in emerging economies of the world has become more important to OECD countries both bilaterally and collectively.

3. The inclusion of key non-member country Ministers in the symposium would recognise this important change in OECD relations with the rest of the world. It would also enrich the governance dialogue, to involve countries in which building a sound governance architecture is not an abstraction but a daily reality. OECD and emerging countries face common pressures to adapt public management policies to changing societal and market needs. As governments encounter a faster pace and more uncertain international and domestic environment, they need the internal capacity to adapt to changing circumstances while maintaining collective core values. Compared with ten years ago, Ministers also have a greater need for a shared international public governance perspective on the humanitarian, security, environmental, economic and trade issues.

## II. Key issues facing governments today – focus of the Symposium

4. At the last Ministerial many OECD governments expected that getting government out of commercial activities, better steerage, less bureaucracy and regulation, and more non-government provision, would allow markets to play a larger role in providing services, and core government expenditure to be reduced. Because of these policies, some OECD governments are now more efficient. However contrary to some expectations, public expenditure has not reduced as a proportion of the economy; and in terms of regulatory reach Government is more present in OECD societies than it was two decades ago. The problem is that in the meantime, society has changed and new problems have emerged.

5. For the next 20 years, public management policy-makers face hard political choices:

- In well developed countries, pressures to cut low value activities, find more efficient means of delivery, and make optimal use of the private sector, will have to become more intense to maintain a more competitive position in global markets, and to meet social security commitments. Even so, in many countries there will be no alternative but to reduce social entitlements and sharpen interventions. Most governments cannot increase their share of the economy, so only thus can they maintain social security, address the inequity and exclusion that accompanies successful markets, and ensure security in an open society.
- For many emerging countries the primary challenge is how to put in place the health, education, security, and economic infrastructure, necessary for a successful society. At the same time however they must compete in the global market place, and grapple with intensifying pressures of insecurity, market volatility, disease, migration, poverty, inequity and alienation, which challenge all governments but to which they are particularly vulnerable. The political challenge is how to balance the need to build for the future, with the pressures to deal with immediate problems.

6. These agendas are complementary, not just because some OECD countries are themselves undergoing economic and social transition, but because the increased inter-dependence of nations means that public governance is on its way to becoming an international public good. Emerging as well as OECD Countries are facing an uncertain governance environment on the international and national scene. They confront increasing pressures from societal and economic forces and higher expectations from citizens. The need to focus on and protect the collective interest of citizens has never been greater. These challenges have implications for the public sector as it is now and how it will be in the future. Citizens demand concrete responses from governments to these challenges. Six key issues are identified below.

### ***1. Promoting competitiveness and economic growth***

7. Beyond its responsibility as guarantor, deliverer or financier of public services, the public sector will continue to play a key role in strengthening markets and promoting economic growth. In this context, the productivity of the public sector itself is crucial. Moreover, public sector capacities to create and maintain high-quality regulatory frameworks is a decisive factor in promoting entrepreneurship, attracting foreign investment and reducing administrative burdens for businesses. Furthermore, public sector employment and e-government policies have the potential to create important synergies and spill-over to the private sector. How can governments ensure that public management policies are supportive of market development? What are the fundamental regulatory requirements for successful participation in a global market, and where these are already in place, how can regulatory regimes boost consumer benefits and promote growth while maintaining high levels of regulatory protections in areas such as health and safety?

## ***2. Ensuring security***

8. The threat of international terrorism has challenged many old certainties.. On the one hand heightened insecurity has added to the costs of doing normal government business across the board. Furthermore, existing government security coordination measures tend to be ill-suited to respond to a nimble and ill-defined enemy. Governments need new tools for risk management, real-time decision-making and communication. Do institutional arrangements for need to be streamlined in order to deal more effectively with security threats? What is the new equilibrium between ensuring openness and basic rights and protecting national security?

## ***3. Managing diversity***

9. The strengthening of governance and markets in emerging countries puts in sharper focus how government deals nationally with regional, ethnic and religious cleavages within the population. In more developed countries the same problem arises as emerging labour shortages are met by increased migration-legal and illegal. For the public sector, increased diversity raises issues of how to create more inclusive and participatory decision-making structures, how to reflect that diversity in public policies and deliver mechanisms and how to manage the public sector in a way which promotes adherence to shared national values.

## ***4. Innovation in Public Service delivery***

10. Governments face increasing and changing demands on public service delivery in areas such as health and education. Most dramatically there is the need to respond to the AIDS emergency in some emerging countries. But the need to do things differently also arises in the context of changing demographics and the rising cost of health care. The demands on public service delivery will put pressure on public sector capacities not only in budget reallocation and contracting out, but may also require an increased use of regulation and quasi-market mechanisms, as well as IT, to improve public service delivery. What are the implications of increased market allocation mechanisms on equity? What are the new models of public service delivery? Given a widespread shift in service delivery responsibility to regional and local government, how do governments ensure vertical co-ordination?

## ***5. Strengthening Public Management Policy Capacity***

11. Public management policies need to become more sophisticated and less instrument fixated. Such policies need to be better informed by whole of government dynamics, implemented with consistency and realism using the range of motivating influences, and subjected to more independent and empirical evaluation. Institutional and organization innovations aimed at eliminating “silo” thinking is part of the answer, as is ensuring that the right intellectual capacity be imbedded in the administrative culture of civil servants. How can governments build the competences for this?

## ***6. Public Sector Employment***

12. Governments face unprecedented pressures on the traditional structures of public employment. The sophistication of the market sector and the new challenges facing governments put them in head to head competition. In emerging countries the problem is how to acquire essential nation-building skills, in a public service system for which maintaining collective values is at a premium. Developed countries must face the fact that up to 60% of current staff are expected to retire within the next decade or two. Competition with the private sector to attract qualified candidates from significantly smaller cohorts may force the public sector to rethink employment practices, not least in terms of remuneration, promotion, and hiring & firing. How will scarcity of people with the required skills affect the public sector’s capacity to fulfil it functions? What new employment practices can be envisaged to address these challenges? Will

scarcity of required skills become a driver of public sector reform in itself? Does increasing the “casualisation” of public employment threaten the coherence of government action?

### **III. Possible outcomes of a Ministerial Symposium:**

- A clear and meaningful message to take home that represents international consensus – in the form of a communiqué, proceedings or a Chair’s summary;
- The opportunity to gain some perspective on which policies have worked and which have failed across OECD countries and to reflect on their impact on today’s pressing problems – dialogue within the meeting; challenging speakers, OECD publications and policy briefs, contact information;
- Raising the profile of public management policy back home and to build political support for more progress in addressing common problems – news coverage of the meeting; communiqué/summary of the meeting; contacts made;
- Strengthening the sense of a common public governance agenda including the emerging non-member countries on the basis of strengthened mutual understanding of differing national priorities and constraints. Developing coalitions, exchanges and joint projects at the international level – contacts made, informal exchanges;
- Providing medium-term guidance to OECD’s work on Public Governance.

### **IV. Who should come?**

13. Across OECD countries and often within member countries, public management and public governance issues are rarely covered by one particular ministry. To reflect this diversity, the Symposium should have a good mix of OECD Ministers with port-folios covering the range of public governance issues including public administration, finance and regulation.

14. As noted, the inclusion of key non-member country Ministers in the Symposium would recognise an important change in OECD relations with the rest of the world and enrich the governance dialogue. The Symposium could therefore also bring together a small number of non-member countries with which the OECD have had considerable co-operation in recent years, among others China, Russia, South Africa, key MENA players, Brazil, Thailand, and Chile.

### **V. Possible title and themes**

15. The title of the Symposium could be “The Politics of Public Management in the 21<sup>st</sup> Century: Hard Choices not Quick Fixes”, with the six key issues identified in section II included as sub-themes. If considered appropriate, the six key issues could be organised and “packaged” into fewer and more focussed themes.

### **VI. Possible format**

16. In light of the positive experience with the Symposium format of the PGC, this could provide an appropriate framework for the Ministerial Symposium, in particular with respect to the break-out sessions dedicated to particular sub-topics of one larger theme.

17. In order to allow for informal contacts and networking, the Symposium could start with a social event on the evening preceding a full day Symposium. The duration of the Symposium would thereby be limited to 1½ days.

### **VII. Establishment of a Ministerial Symposium Steering Group**

18. A Ministerial Symposium Steering Group could be established to ensure an efficient and responsive planning of the Symposium. The Steering Group could be composed of interested PGC members and one or two Ambassadors of OECD Delegations. Supported by the Secretariat, the Steering Group could be tasked with discussion and preparation of, among others:

- Theme, title and agenda for the Symposium. (The key issues identified in this note's Section II could be used as a framework for developing the substantive framework of the Symposium);
- Venue and exact timing of the Symposium. (The availability or suitable facilities at the OECD may become an issue. The possibility of a member country hosting the Symposium could therefore also be discussed);
- Format, outputs and outcome of the Symposium;
- Speakers for the Symposium;
- Criteria for the identification of non-members to be invited to participate in the Symposium.

19. The Steering Group would consult regularly with the PGC.

### **VIII. Next steps and actions required by the PGC**

20. Delegates are invited to discuss the idea of holding a Ministerial level Symposium on public governance in the fourth quarter of 2005.

21. Provided there is a consensus on holding a Ministerial Symposium, the PGC will commence the planning of the Symposium. Planning could include the establishment of a Ministerial Symposium Steering Group, and the nomination of candidates for the Group.

22. On the basis of a positive decision by the PGC, the Secretariat together with the Chair will undertake to inform the OECD Council about the Symposium.