CENTRES OF GOVERNMENT IN THE CURRENT CRISIS

Annual Meeting of Senior Officials from Centres of Government

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For more information please contact Christian Vergez (E-mail: christian.vergez@oecd.org; Tel. +33 (0) 1 45 24 90 44)
### Session 1
#### Centres of Government in the Current Crisis

| Aim | Examine how Centres of Government:  
| - reconcile the day-to-day tasks of co-ordinating government with the tasks generated by the crisis.  
| - adapt to the new situation and learn lessons from this experience with regard to their capacities.  |

#### Key Issues Elements Questions for Discussion

1. **The challenge**  
   - Put in place an appropriate response
   - Define priorities and set objectives (safeguard jobs, support the banking sector, key industries, SMEs, etc.), draw up recovery plans (scope and content of government intervention), implement recovery measures (timetable, budget allocations) and monitor results (obligation to achieve a result).
   - Because the crisis was financial in origin, Centres of Government have to rely heavily on external sources of expertise and in particular on the co-operation of the bodies in charge of the economy and the budget.
   - The context is characterised by the strong pressure exerted by the crisis, the heavy involvement of political instances, public expectations and increased pressure at the international level.
   - **Questions for Discussion**
     - What do decision makers at the political level expect from Centres of Government?
     - What are the respective roles of the Centre and the line ministries?
     - What new interactions between stakeholders has the crisis engendered?
     - How do Centres of Government reconcile the need to take emergency action and speed up the decision-making process with the need to consult stakeholders?
     - How do Centres of Government ensure transparency and accountability?
     - How have citizens been consulted?
     - How do Centres of Government deal with high public expectations, a greater obligation to achieve results as well as a duty to report those results?
     - How are businesses engaged in support of recovery measures?
     - What innovative mechanisms for co-ordination and speeding up decision-making at the Centre can the crisis help put in place?
     - How can Centres of Government strengthen their capacity to respond to an unprecedented crisis? What potentials, limits and needs has the crisis revealed?

2. **The tasks**  
   - Mobilise the actors concerned and co-ordinate actions
   - Within the Executive (front-line Ministries and Agencies); with Parliament (debates, voting on measures); with local levels of government that are closely involved; with traditional vectors of collective action (e.g. unions, professional associations, political parties); with firms and civil society organisations; with citizens.
   - Reconcile the specific nature of the response at the national level with the need for co-ordinated action at the international level (maintain room for manoeuvre to safeguard national interests while contributing to a co-ordinated international response).
   - Report on the introduction and implementation of recovery programmes and co-ordinate government communications (in the case of certain Centres of Government).
   - **Questions for Discussion**
     - How do Centres of Government ensure transparency and accountability?
     - How do Centres of Government deal with high public expectations, a greater obligation to achieve results as well as a duty to report those results?
     - How are businesses engaged in support of recovery measures?
     - What innovative mechanisms for co-ordination and speeding up decision-making at the Centre can the crisis help put in place?

3. **The resources**  
   - Put in place the means to react swiftly and learn lessons for the future
   - Introduction of ad hoc co-ordinating mechanisms (periodical meetings of senior civil servants, working parties; speeding up of the decision-making process (shortening of consultation periods); speedier implementation of measures (authorisation of credit commitments; public procurement; emergency parliamentary debates on legislation).
   - Initial lessons learned from the crisis regarding the capacity of Centres of Government to rapidly marshall and deploy expertise, introduce a system to monitor the implementation of recovery measures and to identify and acquire new professional skills to ensure that it properly carries out its missions.
   - **Questions for Discussion**
     - How can Centres of Government strengthen their capacity to respond to an unprecedented crisis? What potentials, limits and needs has the crisis revealed?
Centres of Government in the Current Crisis

<table>
<thead>
<tr>
<th>GDP growth in the G7 economies¹</th>
<th>Year-average growth in 2009</th>
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<tbody>
<tr>
<td>08Q1 08Q2 08Q3 08Q4 09Q1 09Q2 09Q3 09Q4</td>
<td>EO85 projection² Implied projection³</td>
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<td>---------------------------------</td>
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<tr>
<td>United States</td>
<td>-0.7 1.5 -2.7 -5.4 -6.4 -1.0</td>
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<tr>
<td>Japan</td>
<td>3.9 -4.3 -3.9 -13.1 -11.7 3.7</td>
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<tr>
<td>Euro Area</td>
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<tr>
<td>Germany</td>
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<td>France</td>
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<tr>
<td>Canada</td>
<td>-0.7 0.3 0.4 -3.7 -6.1 -3.4</td>
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<tr>
<td>G7</td>
<td>1.4 -0.5 -2.5 -7.3 -8.4 -0.1</td>
</tr>
</tbody>
</table>

1. GDP releases and high-frequency indicators published by 2nd September 2009. Seasonally and in some cases also working-day adjusted. Associated standard errors are in parentheses.
3. The implied projection is calculated by mechanically extending the GDP outturn data up to the second quarter of 2009 with the indicator model projections for the third and fourth quarters. This means that differences between the column "EO85 projection" and "Implied projection" reflect both revisions in historical data and the Q3 and Q4 GDP projections.


On integrity
At the G8 summit in L’Aquila, from 8 to 10 July, the heads of State and government committed to “working in concert to reestablish trust” and to find the path to growth “by reinforcing norms of integrity, legitimacy and of transparency in the exercise of economic activities”. To this end, political powers have to remain vigilant and determined. “Building a clean recovery requires a solid culture of integrity in the public sector.” Angel Gurría, Secretary General of the OECD (La Tribune, 17 August 2009 | “Integrity and Fiscal Stimulus”, the Globalist, 28 July 2009)

Communication on results
Following the signing of the stimulus bill, the Obama administration set up Recovery.gov, a website by means of which citizens and businesses can track stimulus spending by federal, state and local agencies. Citizens can seek recovery-related jobs, whereas businesses may seek investment opportunities in economic recovery projects and apply for recovery-funded contracts. The website also provides detailed information on the application procedures for government grants and loans. The website was created to promote accountability and foster transparency on recovery spending.

For more information, refer to Recovery.gov

On transparency and accountability
“Our principles are strengthening transparency and accountability, enhancing sound regulation, promoting integrity in financial markets and reinforcing international cooperation.” G20 (Declaration on Strengthening the Financial System, London, 2 April 2009)

Box 1. Acceleration and coordination mechanisms at a time of crisis – the example of France
Among the measures adopted in France in response to the crisis was the setting up of a team of anti-crisis commissioners for re-industrialisation. Appointed in June 2009, the team of ten agents was selected after a recruitment process involving members of ministerial cabinets and the Inter-ministerial Department for Territorial Development and Competitiveness (Diact). The commissioners target small and large enterprises that are hit by the crisis and support them in restructuring. Supported by the Ministries of Finance and Labor, the commissioners’ principal tools are both traditional ones that are redesigned, such as the prime for territorial development, and new measures, among which the national funds for territorial revitalization brought forth by the Diact and the Caisse des dépôts.

Source: acteurspublics.com

The sub-national dimension
Sub-national governments’ reactions might either reinforce central government recovery plans or, on the contrary, be in contradiction with the national strategies for addressing the crisis.

Source: Extract from Sub-national dimension and policy responses to the crisis (OECD, 2009)

Coordination with local levels of government
“States have reduced budgets and revenues. They have two solutions: reduce expenses or increase taxes. About half of Obama’s recovery plan is annihilated by what happens at local level.” Joseph Stiglitz, (“Nous revenons à une récession normale”, Challenges, 27 August 2009)