

FIRST ROUNDTABLE

2008 Euro-Mediterranean Enterprise Policy Assessment

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Project background

- *Scope:*
 - 9 economies of the MED region and their stakeholders
 - 4 organisations : OECD, EC, ETF, and EIB

- *Nature:* pilot project, cross-dimensional assessment covering 10 key policy areas affecting the life-cycle of a company, from birth to maturity

- *Focus:* policies developed and delivered mainly by central government institutions

- *Objective:* conduct a first comprehensive and analytical enterprise policy assessment covering 77 policy indicators, based on the **Euro-Mediterranean Charter for Enterprise (the Charter)**

The Enterprise Policy Index assessment tool

The Policy Dimensions of the Euro-Med Charter for Enterprise

1. Simple Procedures for Enterprises
2. Education and Training for Entrepreneurship
3. Improved Skills
4. Access to Finance and Investment-Friendly Taxation
5. Better Market Access
6. Innovative Firms
7. Strong Business Associations
8. Quality Business Support Schemes and Services
9. Strengthening Euro-Mediterranean Networks and Partnerships
10. Clear and Targeted Information

Dimensions		Sub-dimensions					
5	Better Market Access						
Sub-dimensions	5.1	Proactive trade policy					
Sub-dimensions		Indicators					
Sub-dimensions	5.2	Simplification of Procedures					
	5.2.1	Level of computerisation of procedures for foreign trade					
Indicators	Indicators		Level of Reform				
			1	2	3	4	5
		Level of computerisation of procedures for foreign trade					
		Quality of access to regulatory and procedural information relating to foreign trade					
	Virtual one-stop-shop to deal with the formalities of foreign trade						

5-levels of policy development

- Qualitative and quantitative indicators of policy development are assessed on a scale of 1 to 5.
- The lowest level (1) indicates a lack of policy initiative.
- The highest level (5) denotes implementation that is close to good practices, as defined by the Charter implementation process at pan-European level and the OECD SME Bologna Process.

Combination of two parallel processes: **country** and **independent** assessment;
Continuous dialogue among all parties involved in the process through various stages.

Two Assessment teams operating in parallel:

Independent Team

[operating under the co-ordination of the OECD & EC]

OECD Private Sector

EC DG Enterprise & Industry

European Training Foundation

European Investment Bank

Independent Consultants

Country Team

[operating under the National Charter Co-ordinator]

Relevant Institutions in Charge of Policy Elaboration and Implementation for Each Dimension

National Experts

Key Stakeholders

Steps in the Charter Assessment Process

Steps	Timeline/Location
Define Assessment Grid in cooperation with experts from MED	Workshops held in : •Turin (Italy), 10-11 Sept. 2007 •Brussels on 13 -14 Sept. 2007
Endorsement and Validation of Assessment Grid	October 2007
Launch of parallel assessments	Dec. 2007- February 2008
Technical Meetings to analyse preliminary results to devise weighting system	January – February 2008
9 bilateral meetings (EC+ MED country) to discuss results of parallel assessments with national stakeholders	Region, February – March 2008
Regional Meeting to present final results	Brussels, 16 April 2008
Finalisation and Publishing of Report	June – October 2008
Official presentation of the Charter report at the 7th Euro-Med Ministerial Conference on Industry	Nice, 5-6 November 2008

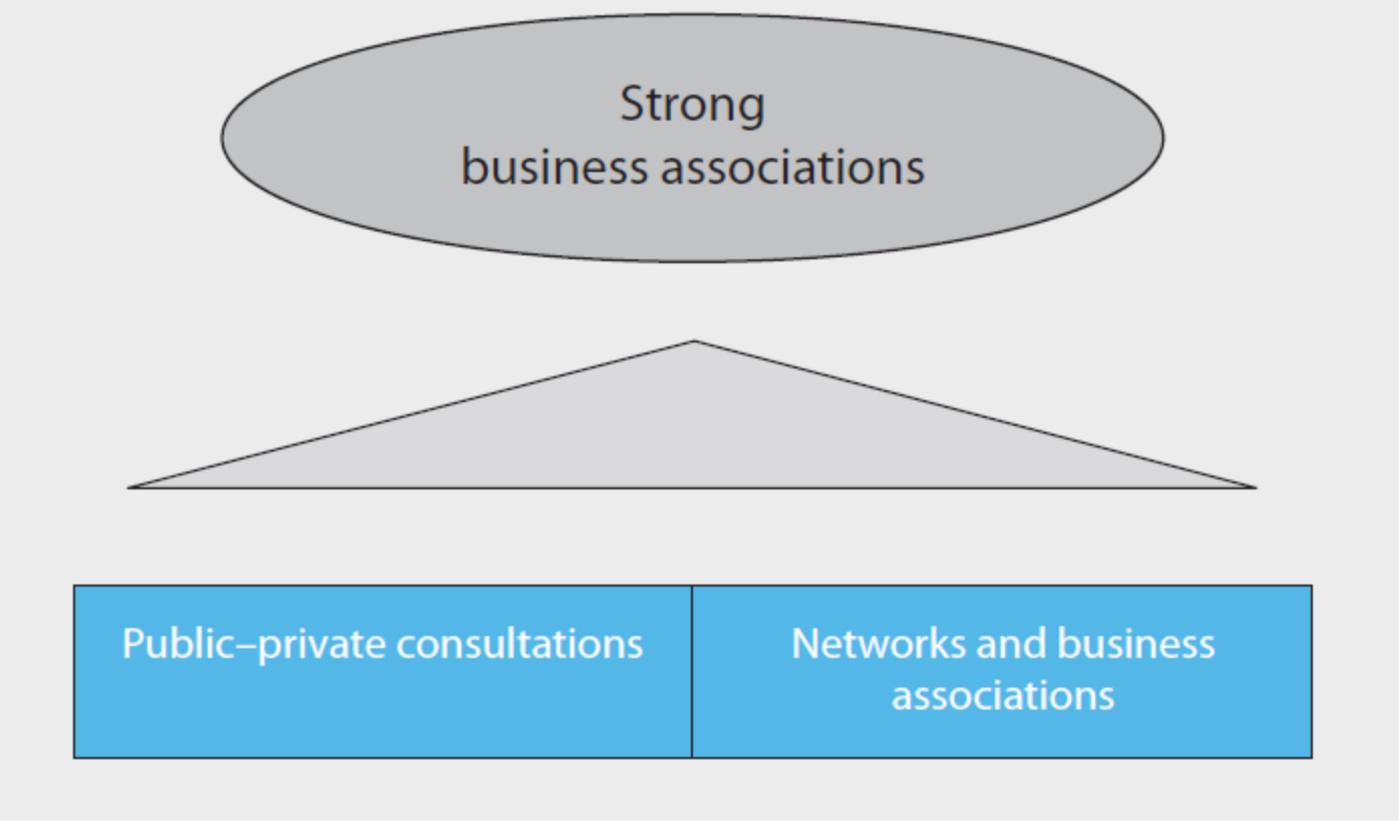
Key Results – Overall Assessment

- Process of convergence towards policy guidelines of Charter advancing in MED region, but at different paces across the region
- Progress most noticeable in : Egypt, Jordan, Morocco and Tunisia
- Transition towards horizontal enterprise policy at early stage: Algeria and Syria
- Progress hindered by conflicts and political instability: Lebanon and Palestinian Authority
- Well-developed and structured enterprise policy: Israel

Challenges during the project

- Building consensus around a comparative assessment across the MED region
- Designing an assessment tool that can be applied to very different economic and policy environments
- Data and information collection (e.g. limited availability and comparability of data across countries as well as ministries).

Policy Dimension 7 Assessment Framework: Strong Business Associations



Policy Dimension 7 Assessment Framework: Strong Business Associations

Public private consultations

- Framework of the consultations
- Frequency
- Openness and transparency of the consultation process

Enterprise networks and business associations

- Advocacy function and governance rules of private sector representative organisations and professional associations.
- Provision of services by private sector associations and professional organisations

Indicator 7.1.1 Framework of the consultations

Level 1	Level 2	Level 3	Level 4	Level 5
No structured PPC framework.	Government in the process of setting up formal framework.	Framework for PPC established but range of issues discussed is limited. Limited participation of senior policy makers. Meetings have informational purpose.	Effective consultations involving key actors take place at early policy planning stage and cover all key issues. Legal framework.	Level 4+ Joint WGs. PS is involved in monitoring and assessing the impact of enterprise support measures.

Indicator 7.1.1: results

	AL	EG	IS	LE	JO	MO	PA	SY	TU
7.1.1 Framework for PPC	2.5	4.0	4.5	3.0	3.5	4.0	3.5	3.0	4.0

Indicator 7.1.1: findings

- The practice of social dialogue in the MED countries is widespread, involving government, trade unions and private sector employers, dealing primarily with broad policy issues such as wage policy, tax and the content of the budget law.
- Less experience, in some of the MED countries, in establishing a constructive policy dialogue with private sector organisations around specific enterprise policy issues, such as access to finance, innovation and service provision to enterprises (both on the side of the government and the private sector).

Indicator 7.1.1: findings

- All countries have some type of framework for PPC.
- In Israel, Morocco and Tunisia, there are highly institutionalised consultation systems and private sector representation is assigned to one umbrella organisation:
 - In Israel, all major economic policy decisions are discussed in advance by the government with the Manufacturers Association of Israel (MAI), the sole body representing the private sector in high-level consultations
 - In Morocco, the employers association (CGEM) is often consulted in discussions of important government decisions and finance law.
 - In Tunisia, the laws assigns to the Union Tunisienne de l'Industrie, du Commerce et de l'Artisanat (UTICA) the role of sole institutional representative of the private sector.

Indicator 7.1.1: findings

- In other countries, the consultation mechanisms are less structured:
 - In Egypt, private sector organisations help shape government policies. For instance, the Egyptian National Competitiveness Council has emerged as a leading forum for policy analysis and debate.
 - The PA has also established a National Economic Dialogue Committee. In addition, the Prime Minister meets several times a year with representatives of private sector organisations.
 - In Jordan there is an established practice of public-private consultations.
 - In Lebanon, there is no structured consultation framework and the dialogue is conducted mostly on an ad hoc basis.
 - In Syria, public-private dialogue is developing, although the consultation framework is still relatively weak. Private sector organisations, namely the Chamber of Commerce and the Federation of the Chambers of Industry, are formally consulted.
 - In Algeria, the framework for public-private dialogue is still relatively weak. However, the government has established a National Consultative Council for the Promotion of SMEs.

SECOND ROUNDTABLE

Indicator 7.1.2 Frequency of the PPC

Level 1	Level 2	Level 3	Level 4	Level 5
No consultations take place.	Consultations occur on a very sporadic basis.	Consultations take place only on the occasion of the passing of major reform/legislation.	Consultations occur on a regular basis but with lengthy intervals (two meetings per year or less).	Consultations are conducted regularly, systematically and frequently. They are institutionalised and structured at various levels, including high-level consultations, as well as at expert level.

Indicator 7.1.2: results

	AL	EG	IS	LE	JO	MO	PA	SY	TU
7.1.2 Frequency of PPC	2.0	4.0	4.0	2.0	3.0	3.5	4.5	3.5	5.0

Indicator 7.1.2: findings

- Large majority of countries performing very well.
- The practice of social dialogue in the MED countries is widespread and dynamic.
- Many countries have a long and deep-seated conviction in the leading and complementary role of its private sector in meeting the aims of economic development.

Indicator 7.1.2: findings

- Israel, the PA, and Tunisia have particularly frequent and regular PPCs:
 - In Israel the Manufacturers Association of Israel (MAI), represents the private sector in regular high-level consultations; In addition an intense dialogue is conducted at a lower level, with the participation of experts nominated by the Federation of Israeli Chamber of Commerce and Lahav (Chamber of independent organisations in Israel) in working groups and commissions.
 - The PA has Several frameworks for public-private consultations are in place. More than five high-profile meetings are convened each year, usually involving the Prime Minister, Ministers of Economy and Finance, and other senior officials.
 - In Tunisia, UTICA is represented in all the main policy-making bodies as well as on the board of executive government agencies.
- PPCs in other countries are less frequent and less systematic. In Jordan, for example, PPCs occur frequently, but mostly and *ad hoc* basis. PPCs also occur on an ad-hoc basis in Lebanon. In Algeria, the National Consultative Council for the Promotion of SMEs meets comparatively rarely, for example during the drafting of the country's industrial strategy.

THIRD ROUNDTABLE

Indicator 7.1.3 Openness and transparency of the PPC

Level 1	Level 2	Level 3	Level 4	Level 5
<p>Participants selected regardless of their representation.</p> <p>Meeting agenda defined unilaterally.</p>	<p>Preferential dialogue with few private sector counterparts.</p> <p>There are no formal transparency requirements.</p>	<p>Agenda is circulated well in advance.</p> <p>The organisations with the largest representation are all invited.</p>	<p>3 + private sector is given the opportunity to provide inputs on the agenda and call for a meeting.</p>	<p>4 + minutes of the meetings are published and the government has to formally state why it has / has not taken into consideration the recommendations emerging from the meetings.</p>

Indicator 7.1.3: results

	AL	EG	IS	LE	JO	MO	PA	SY	TU
7.1.3 Openness and transparency of PPCs	2.0	4.0	5.0	2.5	3.5	4.0	5.0	2.0	3.0

Indicator 7.1.3: findings

- Least developed indicator out of the three PPC-indicators.
- PPCs are often turned into opportunities to forge consensus around government objectives rather than to conduct specific policy discussions.
- PPCs are rarely leveraged to assess the impact of SME policy measures. The exception is Israel.
- Indicator with high variations across countries.

Indicator 7.1.3: findings

- Israel and the PA have very open and inclusive PPCs systems in place, both score a 5.
- In Morocco, the revision of the work code in 2004 and the presentation of the *Livre Blanc* by CGEM to the government in 2008 were encouraging examples of the open inclusion of the private sector in public decision making.
- In Egypt, since several members of the government economic team come from the private sector, understanding has greatly improved and the government has adopted a more open attitude towards private sector proposals.
- In Tunisia, the PPCs are well organised, they do not systematically monitor the impact of government measures using independent evaluation systems.
- In Jordan, there is also a good degree of openness and transparency.
- In Syria and Algeria, the consultation framework is relatively weak. Private sector organisations, namely the Chamber of Commerce and the Federation of the Chambers of Industry, are formally consulted during the elaboration of legislative measures and the five-year economic plan.

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