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Thank you Susan. I would also like to thank you for having invited me to take part. The discussions today were excellent and very thought-provoking.

I want to make a few points that have come to mind as I have been sitting here. One has to do with the intervention by Bruno Lafont of Lafarge.

We have divided this into three in the programme. You will see we have corporate governance, public governance and international governance. There is a common thread in all this and that is public service, which I am going to talk about in a minute. However, there is another strand that came to mind as you (Bruno Lafont) were speaking about the corporate world. Regarding the multinationals who are often accused of being villains in the international arena, most of them abide by the multinational guidelines that have been introduced at the OECD and which now have universal application.

However, there is another aspect that I think is very important, and that is that these multinationals, and I think Lafarge is probably a good example of it, have actually exported good governance to countries by basically applying standards of behaviour in many areas. For example, as I recall, the World Business Council for Sustainable Development has a principle that says when you are in another country, you will apply the higher of the environmental standards of your country of origin, or the standards of the foreign country where you are operating. What better way to speak to the positive interrelationship between the corporate world and developing countries?

I think that corporations deserve a lot more credit in this regard in also applying the ILO standards. These are very important initiatives that have been spread around the globe through the multinational networks.

However, I want to come back to a point that has bothered me ever since I entered government as an elected politician in 1978.

Most of us, and I was one, were very critical of bureaucracies and big government. When I first became a Minister in the Trudeau government in Canada in the early 1980s, I was very suspicious of the bureaucracy until I began to realise that without a high quality bureaucracy, you can accomplish very little. I finally concluded that a government can only be as good as its public service.

Now, when you look around the world and look at these countries in different stages of development, creating a quality public service is an enormous challenge. In the developed world, in most of the OECD countries, and certainly in the G7 countries, we have enjoyed generations and generations of experience and expertise with respect to the management of the public service. High standards have been set. I know that there is corruption in the public sector in all countries. It was a big issue in the recent election in my own province in Quebec. That being said, the fact is that it is minimal compared to what we see elsewhere, where in many cases it is systemic and can carry serious economic and social consequences.

I say to all of you that we should really think very seriously about how we can improve governance in all the countries of the world. At the political level, we can do nothing about it. When you have good democracy, you may elect good people. But not all politicians are honest. However, if the public service is honest and competent, it is the best way of ensuring that corruption at the political level is minimised. I say that based on my own experience in government and more importantly, in the years that I spent at the OECD, where, as you know, we created a Directorate, and attacking public sector corruption is one of the major challenges for it.



Now, bear in mind that these public servants take policies that we in this room come up with. They may be great policies, but those policies then have to be crafted; they have to be legislated; they have to be applied; their application has to be monitored and enforced. It is not the politicians who are going to do that – it all requires a high quality honest public service.

The careers of choice when I graduated were public service, government and sometimes academia. That is what the talented and ambitious wanted to do at that time. Frankly, I fear that even in some of our most advanced economies, the compensation systems that have taken place within our societies, especially in America, have tended to draw the best and the brightest elsewhere, notably to Wall Street or its equivalent in other countries. I would like to see that earlier trend return, with public servants well compensated, broadly respected and appreciated so as to make government effective and efficient at every level.

Now, that quality of public servant must be found throughout the system, from basic administration through to the judiciary and the administrative tribunals that objectively uphold and apply the rule of law.

This takes me to the issue of corruption, which was mentioned a minute ago. One of the greatest curses we have, quite frankly, when you look around the world is corruption. It is always present.

Probably you have all seen the Transparency International indexes. There is no country in the world that is not on that index as having some degree of corruption.

In most instances in the developed world, the corruption level is not sufficient to have a macroeconomic impact. If the laws are applied properly, it will be rooted out. We see that every day. Look at the insider trading cases in the United States. Some very prominent people have been indicted and sent to prison. That does not happen everywhere because legal systems are weak and the rule of law is not respected. A quality public service and independent judiciary would solve that problem.

One of the things I would like you to think about is this – I sometimes use an analogy drawn from the computer world about governance. You basically have the institutions as the hardware, the administrative tribunals, the courts and the legislature and so on. Then you have the operating systems, and that is the public service. Theoretically, the political class introduces programmes and policies, that is, the software, to the public service. It must be independent but should implement those programs just as you expect your computer to.

Corruption in the public sector of many countries is like a virus in your computer. It prevents the implementation of good policy.

Russian leadership has recently spoken to this issue. So has President Hu of China as well as his successor. The same is true of Serbia where I recently spoke on the subject and met with the Prime Minister.

They all claim to want to attack corruption because in these emerging markets it seems to be a systemic problem with serious economic consequences.

I have concluded that the only way corruption can ever be contained is by having a management class in the public service that is honest, dedicated, loyal, well paid and where whistle blowers are protected.

Public service should also be a stepping stone for people who have the honour of serving in that capacity which will equip them for important responsibilities in the private sector at a later date.

Without that high quality public service, the operating system upon which all policy implementation depends, we will never have the good governance we need.