



ANNOUNCEMENTS

Your Ideas: Prior to the Board meeting in Helsinki, where the IABP presents the outline of its strategy, we are interested in ideas on: "Which types of service could be possibly delivered by the IABP to its member national schemes?" Please, send your suggestions to Fredrick R Hyde-Chambers, on frhc@iabp.org. The best ideas will be publicised in the following issues of the Monthly Digest.

Contributions to Monthly Digest: Readers may probably notice some developments of the "Monthly Digest". We will appreciate your contributions for the next issues as well as suggestions on how this medium can be used more effectively to ensure good communication within the network. Your materials as well as suggestions concerning the format of the Monthly Digest, please, email to Archil Bakuradze on a.bakuradze@lancaster.ac.uk.

Emerging Democracies Programme

The Head of Cabinet of Chris Patton, Commissioner for External Affairs, and senior officials responsible for relationships with the countries of the former Soviet Union have endorsed the model scheme proposed for Georgia and the approach. They recommended an application for funding was submitted immediately and have also made suggestions where the IABP could contribute to the consolidation of a market economy and stable democratic institutions in other emerging democracies of Central and Eastern Europe.

Good Corporate Governance

International recognition of the business and parliament relationship, made possible through the national schemes and IABP, is of definite added value to the companies who are participating in the schemes. Developments in the emerging democracies should provide additional opportunities for scheme companies interested in having transparent and non-corrupt relationships in their developing markets, enabling them to be champions of good corporate governance. Further developments on this topic will be reported in the next digest.

The Republic of Ireland

Following discussions between Sean Neeson MLA Chairman of the Northern Ireland Assembly and Business Trust, Deputy Prime Minister Mary Harney and her officials and the Secretary General, the Deputy Prime Minister has decided to sponsor the establishment of a business and parliament scheme for both Houses of Parliament. So the IABP is now advising countries with economies at opposite ends of the spectrum: Georgia and Ireland, the most successful national economy in the EU. An Irish scheme will open many opportunities for co-operative activity with the existing schemes including those of the UK.

Development of the Georgian Scheme

Following the assessment visit to Georgia by Fredrick R Hyde-Chambers, and later his Special Advisor Archil Bakuradze, there has been confirmed a reciprocal demand of parliamentary and business leaders to establish the IABP's national scheme. The expected impact most valued by all parties was the changed attitudes of Parliamentarians towards business from seeing it as solely a taxpayer to a wealth generator and employer. It was emphasised that timing of the IABP is appropriate, as government, business and society are in a truly transitional period, looking for new ways of doing things. Last November the opposition leaders led a peaceful uprising, the "rose revolution", which resulted in the resignation of President Shevardnadze.

The new leadership offers a right direction towards building more effective and transparent governance and creating a favourable business environment, however due to the low capacity it requires technical assistance. This creates a window of opportunity for IABP to establish a long-term mechanism of transparent and non-corrupt exchange between business and Parliament by using its unique resources. This means offering its formula of the "internationally recognised protocol" as well as promotion of linkages with extensive network of business and parliamentary practitioners engaged in the national schemes of the IABP. Georgia, as an emerging democracy, is keen to pilot the scheme as it is believed that building transparent governance and predictable economic policies creates basis for business development and in-flow of Foreign Direct Investment.

Currently the IABP is looking for short-term funding to swiftly react to this opportunity. Programme development fund will enable representatives of the established national schemes to travel to Georgia and discuss potential areas of cooperation.

EU Commission recognition of the IABP and the International Protocol on the relationships between business and politicians

The Rt Hon Neil Kinnock, Vice President of the EU Commission has stated that the IABP on behalf of its schemes has established a benchmark in transparent, non-corrupt relationships between business and politicians. He has recommended a budget line for the IABP in the EU budget (which already contributes to some think tanks). Bill Newton-Dunn MEP will begin the process immediately following the June elections to the European Parliament. Commissioner Kinnock is keen that the IABP is established with all the appropriate officials of the Commission.

Current Research

In the process of identifying its strategic directions, one of the areas, the IABP is focused on, is a Corporate Governance. It is becoming increasingly important issue faced by companies, investors and arguably by society, as income of millions of shareholders as well as stability of an economy, in general, significantly depends on it. IABP tries to address the challenges of Corporate Governance in regard of its assessment. Current appraisal mechanisms mainly respond to the interest of investors, whereas some questions of a wider public towards companies may not be answered. Other issues include the activism of stakeholders in different jurisdictions, transparency and government relations.



"A rose – new instrument for shifting the power"
President Saakashvili, Georgia/BBC