

10 THINGS GOVERNMENTS CAN DO

To help create an enabling environment for transition to democracy and market economy

Governments are typically challenged by limited budgets, containing public expectations, enforcing the rule of law, responding to the short-term challenges and working through inefficient bureaucracies. Since the late 1980s, Central and Eastern European governments – created anew at the national, regional and local levels – have had to tackle all these challenges. Free elections brought new faces to power, generated new energy for reform, and raised public expectations. Leaders in government introduced new legislation and created new public institutions. They can continue to create an ‘enabling environment’ for cross-sector collaboration by:



The National Assembly of Hungary

1. Providing **leadership and moral persuasion** – appointing a Minister with specific responsibility for promoting responsible business practice; hosting Ministerial / Presidential dialogues; meeting with private sector leaders and encouraging them to contribute actively to economic reform and growth.
2. Carrying out **awareness raising activities** on the business benefits from social investment and the social benefits from business investment; publicise good stories; create Award schemes, especially to showcase ‘home-grown’ examples.
3. Convening and / or catalysing **voluntary initiatives and guidelines** that promote good practice principles and practice in business engagement with civil society and local government.
4. Providing **technical advice and input** into the development of standards and / or creating voluntary initiatives on self-regulation in specific industrial sectors.
5. Using **public funds** to leverage private sector funds and other resources mobilized through the civil society sector and from international sources.
6. Integrating social and environmental requirements into all **procurement and tendering** processes.
7. Exploring the potential of **fiscal policies** to address corporate social and environmental impacts – consulting with business, civil society and other stakeholders in their design and implementation.
8. Legislating for **disclosure requirements** on corporate social and environmental performance, in consultation with business organisations, international agencies and civil society.
9. Identifying and promoting a **core level of minimum social, ethical and environmental standards**, in line with international agreements and corporate policies of market leaders.
10. Increasing dialogue, learning and **co-operation with other governments** – on a bilateral and multilateral basis.