I. Introduction

The Business and Industry Advisory Committee (BIAC) is an independent organization that represents the Organization for Economic Cooperation and Development (OECD) business community. BIAC is a distinctive organization; its uniqueness resides in the institutionalized relationship, formally established, with one of the principal intergovernmental institutions for economic governance. BIAC, and its labour counterpart TUAC (the Trade Union Advisory Committee to the OECD), have both been engaged in the work and consultative processes of the OECD from its earliest days. These cooperative relations with civil society have been supplemented by increasingly extensive dialogue and consultations with other civil society organizations and parliamentarians. BIAC, however, remains the primary and official business contact for the OECD. As Charles P. Heeter, BIAC Chairman, has stated, “BIAC is the means by which the private sector engages OECD policymakers on the many challenges of globalization and economic interdependence. OECD governments benefit by having access to business thinking and experience; business benefits by helping to shape government policies and programs that really work in the marketplace” (BIAC 2007b, p. 2).

II. Origins and Development

BIAC was created in March 1962 as the official representative of the OECD business community. Its creation is to be understood as dependent upon that of the OECD. Indeed the Council of the OECD called in one of its early resolutions for the establishment of representative advisory bodies conceived within a consultative and quasi-corporatist framework. This move was concomitant to that of national employers and labour associations that were organizing themselves in more formalized structures. Therefore the raison d’être of the BIAC is its work with the OECD. The OECD has been keen to encourage and integrate the different points of view of the OECD communities. As a result, other sections of civil society are also involved although the
relationship is not institutionalized as it is with TUAC and BIAC, and tends to be more issue-specific. Indeed these other civil society representatives have been less cohesive in their organization and representation of interest – making it more difficult to formalize their interaction within OECD forums.

1. The BIAC-OECD Partnership

BIAC’s 31 standing committees and policy groups reflect almost all the major economic policy issues that the OECD covers. The groups study the issues, most importantly the inherent potential impact of OECD policy on the business community in both member and an increasing number of non-member countries, such as Brazil, Russia, India, China and South Africa (BRICS). The interaction between the OECD and BIAC is portrayed as a partnership. Daily contacts between the two secretariats on policy matters help to coordinate dialogue between the international institution and its consultative business body. Moreover, coordination is key to the consensus-building exercise both organizations constantly engage in. As Angel Gurría, Secretary-General of the OECD, explained at the June 2007 Mexican Business Roundtable on Structural Reforms for Investment and Growth, “structural reforms that stem from companies and governments working together, based on principles of transparency and competition, produce the greatest economic and social benefits”.

One of the main contributions of the OECD to transnational economic governance resides in the Multinational Enterprise (MNE) Guidelines. The OECD was one of the first international organizations interested in developing a multilateral set of principles for responsible business conduct with the OECD Guidelines for Multinational Enterprises. The Guidelines were originally drafted in 1976 based on an OECD Council Declaration on International Investment and Multinational Enterprises and revised extensively in 2000. They are recommendations addressed by adhering governments to multinational enterprises operating from their territories. The Guidelines cover key areas of investment-related business conduct, including disclosure, employment and industrial relations, environment, bribery, consumer protection, science and technology, competition, and tax regulation. The observance of the Guidelines by enterprises is voluntary and is not legally binding. The drafting and revision of the Guidelines were carried out in partnership with BIAC and TUAC.

BIAC’s main objective is clearly to influence the direction of OECD policy initiatives so that all resulting recommendations to governments contribute to fostering a competitive business environment that allows companies to develop in the global economy (BIAC 2007). This is done through the participation of BIAC members in OECD meetings, global forums, and consul-