
*“Accountability , Transparency
& Fiscal Policy”*

Presentation by

Hon. Maurice McTigue

Mercatus Center

George Mason University

Governments should create the environment for wealth creation!

- Irrefutable truths
- Governments consume wealth not create it
- Globalization is now an irreversible reality
- Decisions taken by one nation state have affects on other nation states
- Capital Investment precedes job creation
- Capital migrates to the friendliest environment it can find
- Capital and jobs are extremely mobile

Capital Attractive Environment

- Certainty – that issues of safety, rule of law and peace exist throughout the society
- Certainty – that contracts are enforceable and property rights are secure
- Certainty – that Government policy will remain consistent
- Certainty that competitiveness is considered before regulations and laws are passed
- Certainty – that profits will be allowed to occur at a rate equal to or better than other environments

Accountability

- The more open and transparent government activities are to public scrutiny the more confidence the public will have in government
- The greater the transparency of government processes and procedures the better the decisions and the possibility of corrupt practice is diminished

What is *Accountability*?

- Taking responsibility for the consequences of ones actions
- Transparency is a component of accountability
- Without transparency there is no accountability

What is Transparency?

- Transparency: a process that requires us to disclose fully and truthfully our performance to those who are entitled to know.

The Good Government Agenda

A Government that makes budget decisions based on results!

- *Spending public monies on things that don't work is grossly irresponsible behavior not knowing whether those activities work is even more grossly irresponsible.*

The Good Government Agenda

A Government that is honest and truthful with future generations by requiring intergenerational reporting on current policy!

- *Truthfulness and integrity require us to inform future generations of the consequences for them of decisions being taken now so that they can be heard before their future is mortgaged beyond redemption.*

The Good Government Agenda

A Government conducting responsible budgeting by eliminating deficits and using surpluses to pay off accumulated debt!

- *Administrations and Legislators need at all times to be aware of the fact that it is irresponsible behavior to continuously rely on deficit financing. They are not spending the government's money but the people's money and the debts incurred ultimately have to be paid by the people.*

So what would be good?

- Results Transparency
- Financial & Purchasing Transparency
- Program Performance & Results Transparency
- An Informed Public

Policy Makers

- Should know before decisions are made the likely consequences of the decision on,
 - The intentions of future capital investors
 - The effect on existing businesses ability to compete in the global economy
 - The effect on existing jobs
 - The effect on the creation of future jobs

Other Countries' Strategies

- Fiscal Responsibility Act – NZ
- Budget Honesty Act – Aussie
- Code of Fiscal Stability – UK
- Government Accountability & Transparency Act – Canada
- Maastricht – European Community
- 20 States in the process of passing transparency legislation

**Brought to you by the
Mercatus Center's
Government Accountability
Project**



www.mercatus.org
