



## Weekly Brief

March 19, 2024

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# When Government and Business Work Together for Change

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Four years ago this week, I got one of the most unexpected and meaningful phone calls of my career at BCG. It was ten days after we had closed our offices due to COVID-19, like so many businesses all around the world. I was working from home, when Gina Raimondo, then the governor of Rhode Island, reached out to me directly. She said managing the COVID-19 situation was going to be more challenging than people realized, society wasn't prepared for it, and the public and private sectors would have to work together if we were going to keep people safe.

She brought this message to multiple CEOs in those earliest days of the pandemic and led the development of new models of collaboration. She may have been the leader of the smallest state in the US, but she turned out to be a bellwether for governors and others around the country and the world. In the weeks and months that followed, leaders actively looked for collaboration between government and business to manage the unprecedented challenges—first to slow the spread of the disease and support a strained medical system, and eventually to develop, distribute, and administer vaccines.

### **Advancing Economic and Societal Impact**

This past week, I had another opportunity to work with the now US Commerce Secretary Raimondo, as she led a presidential trade mission to the Philippines and a President's Export Council visit to Thailand. It was a fascinating and energizing week. At every stop,

the clear message from the Secretary and leadership in both countries was about the critical role of businesses to invest ambitiously, develop new capabilities, and form new partnerships with one another and with governments to advance the economy and society.

We heard from Filipino and Thai officials not about ideology but about the practical steps they were taking to support and encourage business investment in their countries. This was the case whether the focus was on digitization, tackling climate change and the energy transition, education and reskilling for a world of AI, building infrastructure, strengthening cyber protections, or advancing other critical issues.

As examples, in the Philippines, President Marcos meets with a business advisory council for two hours every other Thursday to focus on specific actions to accelerate economic progress and remove obstacles. The country recently passed amendments to its Renewable Energy Act to allow 100% foreign ownership of renewable assets.

And in Thailand, Prime Minister Thavisin has been on the road with his mission to seek partnerships with both local and foreign businesses and to attract foreign direct investment. He has also guided the Thai Board of Investment to focus on building infrastructure and attracting new manufacturing hubs for electric vehicle components and other segments of high-tech value chains. A critical enabler will be attracting investment from international companies capable of developing engineering and tech talent within the Thai labor force.

We spoke with US and local business leaders, as well as representatives of local chambers of commerce, and they were open about what was needed to go faster. It starts with addressing basic issues, such as excessive regulation and paperwork related to customs and borders, but also includes more fundamental challenges, such as improving workforce skills, increasing investment support, and working on free-trade agreements. There was a lot of enthusiasm for the Indo-Pacific Economic Framework for Prosperity, which will include 14 countries.

## **A \$2 Trillion Opportunity**

As we look at the challenges ahead, it will be essential to strengthen the business-government relationship. A BCG study sponsored by Australia and endorsed by ASEAN economic ministers last October points to a \$2 trillion digital opportunity for ASEAN countries by 2030 if they establish a bold agenda leveraging both the public and private sectors.

And of course, we need collaboration to address the climate crisis. The key technological solutions are likely to come from business but will need governments to invest and remove roadblocks to deployment if we're to reach the pace of progress we need.

The relationship between government and business is never perfect, no matter the government and no matter the business. But when leaders from both sides are committed to drive real change and find models to work together, the impact can be dramatic.

Until next time,

A handwritten signature in dark ink, appearing to read "Rich", with a stylized flourish at the end.

**Rich Lesser**  
Global Chair

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**Further Reading**



### [Study on the ASEAN Digital Economy Framework Agreement](#)

Accelerating trade growth, enhancing interoperability, creating a safe online environment, and other moves will empower businesses and stakeholders across the region.

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### [How Public-Private Ecosystems Can Help Solve Societal Problems](#)

Governments and companies must find new ways to collaborate if they are to solve the big multigenerational challenges, such as poverty, inequality, and climate change.

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