



Since the financial crisis, the rules of engagement have changed. Many companies have found that they must deal with a far more intense level of scrutiny from politicians and regulators, who are pursuing their own agendas. Companies also have to navigate a more complex and hostile public terrain.

In dedicating much of this edition of the *Review* to public affairs, we thought we should hear directly from political and regulatory leaders, as well as businesses operating largely in the public sphere, about how they are dealing with the communications demands of the post-financial crisis world. Understanding these complex challenges is vital if we are to learn how the private and public sectors can build better relationships with each other and with the public at large.

As companies come under greater scrutiny, it is not just about what they do, but also how they do it. Politicians, regulators, and the media may take the lead in this, but in many cases they are doing so in response to public demands. This greater public engagement has gained force through new media, or what is now being described as the “public information space” – the swirling sea of content that surrounds and connects us in the digital world.

In this atmosphere, companies are facing difficult questions with increasing frequency on issues such as tax, jobs, the environment, and ethical sourcing. Also, it is now widely appreciated that failure to adequately articulate the full benefit of an organization’s social purpose can have serious consequences for its reputation, market value, and even its very existence.

As a consequence, business leaders find they must perform on a much more public stage than ever before and have to acquire the skills of politicians. This has been starkly illustrated on both sides of the Atlantic by political committee hearings, which have become an increasingly popular (and populist) form

of holding business to account. In this issue, we look at the traps that these hearings can set, and consider how a company can keep its own agenda center stage.

Also in this issue, we hear from Portugal’s Prime Minister, Pedro Passos Coelho, about how his government is striving to keep the public focused on long-term objectives as they cope with the short-term pain of economic reform. Similarly, Michel Barnier, the European Union’s Internal Market Commissioner, and William Kennard, US Ambassador to the EU, both discuss efforts to forge a freer but also more robust transatlantic marketplace.

Around the world, there are new and interesting approaches to meeting the challenges where public and private interests intersect. Exemplars of these new models are discussed by Luis Alberto Moreno of the Inter-American Development Bank, Choo Chiau Beng, CEO of Keppel in Singapore, and Francis Yeoh of YTL in Malaysia. These questions also arise in the cultural sphere, as the British Museum’s inestimable Director, Neil MacGregor, and Mashable’s Pete Cashmore and Lance Ulanoff recount.

The principles of best practice are surprisingly clear and straightforward when dealing with public affairs, even though there are many local variations around the world. Transparency is the key. In a world that is increasingly open, it is important for companies also to be open and straightforward. The winners will be those who walk towards difficult issues in a constructive, honest way without resorting to spin or obfuscation. It is a stronger and safer course of action to be clear and honest about your goals. That has always been the basis for good corporate communications and it is no different when dealing with public relationships.

I hope you enjoy this edition and thank you for your time.

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