



# Highlights of the OECD 50<sup>th</sup> Anniversary Ministerial Council Meeting





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### Better Policies for Better Lives

#### 50<sup>th</sup> Anniversary Meeting of the OECD Council at Ministerial Level

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## OECD 50<sup>th</sup> Anniversary Vision Statement

On the 50th anniversary of the OECD, we, the Members, reaffirm our founding goals and set out our vision for the OECD's evolution to ensure its effective and influential role in a rapidly changing world so as to promote the well-being of our citizens. We are determined that the OECD will continue to help countries develop policies together to promote economic growth and healthy labour markets, boost investment and trade, support sustainable development, raise living standards, and improve the functioning of markets. This vision also underscores our resolve to make the OECD a more effective and inclusive global policy network.

Throughout its history, the OECD, whose origins lie in the Marshall Plan, has assisted countries in fostering good governance and reforming and improving their economic policies to generate greater economic growth. The success of these efforts helped build a wider consensus for market economies and democracy. The OECD is a world leader in designing structural reforms that promote growth and equity. Its committees of national experts, high-quality Secretariat, world-class data collection and analysis, robust peer reviews, and evidence-based policy recommendations help countries by benchmarking policies and disseminating best practices. Its collaborative work with regulators and policy makers, industry leaders, trade unions, and civil society brings key stakeholders together to share ideas and learn from each other, and to develop best practices, policy guidelines, and legal instruments.

The global economic environment has changed dramatically in recent years. The 2008-09 financial and economic crisis underscored the increased complexity and interconnectedness of today's world, the ongoing central importance of growth and employment, as well as the need for more effective regulation of the financial sector and enhanced co-operation to address common concerns. Challenges related to still too high unemployment, public-sector debt levels, and generating sustainable balanced growth around the world have to be addressed effectively. The mobility of capital, technology, and people is increasing rapidly. New economic powers have emerged and integrated into the world economy, leading to global shifts in growth, wealth, and influence.

In this changing world, OECD Members continue to form a community of nations committed to the values of democracy based on rule of law and human rights, and adherence to open and transparent market-economy principles. The Organisation's essential mission is to promote stronger, cleaner, fairer economic growth and to raise employment and living standards. We rely on it to do so by identifying key economic, social and environmental policy challenges and designing policies to improve the well-being of people around the world.

Better Policies for Better Lives. The OECD will continue working to improve the functioning of markets and of governments, resist protectionism, encourage fair and efficient systems of taxation and investment, and create good jobs. Promoting the openness, propriety, integrity, and transparency of business and governments and fighting against corruption remain key activities for the Organisation. New challenges, however, demand new approaches. The OECD will incorporate the lessons of the recent crisis to help update economic thinking and analytical frameworks.

We will actively pursue strategies for growth and jobs by making the



*50<sup>th</sup> Anniversary canvas, signed  
by 40 Leaders and Ministers*



best use of OECD expertise in multidisciplinary analysis and structural reforms. Sustainable economic growth is a critical objective and future OECD strategies will promote green growth. The OECD will also provide countries with the tools to increase economic opportunity for women in education, employment and entrepreneurship. In order to increase growth in our economies, generate jobs and increase living standards, we look to the OECD to help spur private-sector innovation. The OECD will work to develop effective strategies to increase employment opportunities toward the goal of shared prosperity. It will also support high-quality education and skills, health, and social-protection policies, which are critical in the global economy to reduce inequality and support inclusive growth. The OECD will help governments respond to demographic challenges, including rising social protection costs as a result of ageing populations and youth unemployment.

Our New Paradigm for Development. Countries at varying levels of development contribute to the achievement of global sustainable economic growth. We can all prosper by learning from one another, generating ideas together, and co-ordinating and improving our policies, regulations, and standards, based on the principles of inclusiveness and flexibility. Broader interaction, beyond the provision of aid, supports economic growth, poverty reduction, and development. We commit to launch a new comprehensive approach to development across our Organisation entailing greater collaboration, including sharing policy successes and failures and engaging in mutual learning, as well as deepening partnerships between the Organisation and developing countries that want to engage. In addition, we will continue to identify strategies to ensure that the broader policies pursued by our governments are coherent with our desire to promote worldwide development as stated in the OECD Convention. This approach will build on the Organisation's rich experience with development co-operation, respect the different needs and challenges of developing countries, and incorporate best practices emerging from co-operation between them.

We reaffirm our commitment to aid as well as the priority we give to achieving the Millennium Development Goals. We will continue our efforts to make aid more effective by better aligning donor and partner priorities, empowering developing countries to build capacity and assume greater ownership for their own futures, and strengthening mutual accountability.

Towards a Global Policy Network. Over the past 50 years, the OECD has expanded its membership from the original 20 countries to 34, is currently in accession discussions with the Russian Federation, and has engaged more recently in varied and flexible relationships with countries and institutions around the world and at different stages of development. An increasing number of countries participate in our discussions, share data and best practices, contribute to the Organisation's Global Fora, join its committees and bodies and, in some cases, adhere to its standards. Their participation advances our common goal of learning from each other's experience in order to produce better outcomes for all people. We welcome these growing ties.

The OECD will continue to expand its network with new ideas and new partners while maintaining the high quality of its analysis, instruments, and standards, the objectivity of its recommendations, and its rigorous peer review process. We welcome collaboration with all those countries



## OECD 50<sup>th</sup> Anniversary Vision Statement

interested in sharing knowledge and expertise, promoting reform, and contributing and adhering to OECD standards. We, the OECD Members, will strengthen co operation where there is mutual benefit with countries seeking closer ties, including possible membership.

Our co-operation with Brazil, China, India, Indonesia and South Africa since 2007 helps the OECD better address global economic, environmental, and social challenges. We, the OECD Members, will work together with each of them to develop new forms of partnership and collaboration with the aim of improving the well-being of all our citizens. We will continue to co-operate with other international organisations and stand ready to draw on the OECD's expertise to continue supporting the work of the G20 to help address the evolving challenges of the 21st century.

The OECD will also enhance its regional activities, including through partnerships with other international and regional organisations, such as regional development banks. We are committed to continue supporting and strengthening our policy dialogue with Southeast Asia, Latin America, Southeast Europe, Eurasia, and sub-Saharan Africa, as well as the Middle East and North Africa, where we will do all we can to provide support for economic and social reform initiatives.

As we go forward, the OECD will operate as a results-oriented, rigorous but flexible network based on high standards with the goal of developing effective and innovative policy choices for governments around the world. We will ensure the OECD embodies best management practices and continues to improve its own efficiency and effectiveness. The OECD will remain objective, inclusive, and responsive in pursuing this vision.

## Chair's Summary

On the occasion of the 2011 OECD Ministerial Council Meeting (MCM), Leaders and Ministers assembled under the Chairmanship of the United States of America and the Vice-Chairmanship of Germany to celebrate the 50th Anniversary of the Organization and set the OECD on a path that will ensure its effective and influential role in an interconnected world.

The MCM deliberations benefited from the participation of Brazil, India, Indonesia, the People's Republic of China, and South Africa, as well as the Russian Federation, which is moving forward in the OECD accession process: Ministers look forward to further progress of the accession review of Russia in accordance with the 2007 roadmap.

### A New OECD Vision

The Chair presented the Vision Statement, which celebrates the OECD's history as a forum for policy development and dialogue and looks ahead to its important role contributing to better policies for better lives, implementing a new paradigm for development, and moving toward a global policy network. Ministers representing OECD Member States and the Russian Federation endorsed the Vision Statement and called upon the Council to determine concrete ways to put it into action.

For the past 50 years, the OECD has provided a unique setting where governments can come together to share policy experiences, identify good practices, find solutions to common problems, and collaborate on addressing global challenges. Ministers underscored that the OECD's core strengths are the high quality of its standards, the objectivity of its recommendations, fact-based mutual learning and its rigorous peer review process. Ministers welcomed the OECD's valuable contributions to the evolving global architecture, including the G20.

Ministers welcomed the Strategic Orientations paper presented by the Secretary-General, which sets out his strategy for increasing the Organization's impact, inclusiveness, and relevance going forward. They also congratulated him on his reappointment as Secretary-General.

Ministers welcomed the invitation for Russia to join the Working Group on Bribery, recognizing this as an important step towards acceding to the Anti-Bribery Convention, a prerequisite for OECD membership. Ministers looked forward to Russia's early adherence to the Convention and called upon all Working Group members to effectively enforce the Convention.

Ministers adopted the updated OECD Guidelines for Multinational Enterprises, which includes a new chapter on addressing human rights, and encourages enterprises to support cooperative efforts in the appropriate fora to promote Internet freedom. They also adopted the Recommendation on Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

Ministers also welcomed the establishment of a Center for African Public Debt Management and Bond Markets, supported by the OECD and the Government of South Africa. A Memorandum of Understanding establishing the Center was signed by the representative from South Africa and the Secretary-General.



*(Right/Left) Secretary of State Hilary Clinton and Ambassador Kornbluh signing a commemorative canvas at OECD 50th Anniversary. (Back) Deputy Secretary-General Art de Geus.*

### The Current Economic Situation

The Chief Economist of the OECD presented the Economic Outlook in the public OECD Forum. Recovery from the crisis is proceeding gradually, with recent growth slightly stronger than anticipated. Growth is increasingly self-sustaining, with stimulus support diminishing and private demand picking up. However, challenges remain and new risks have emerged, including rising oil and other commodity prices, inflationary pressures in some emerging market countries, and the after-effects of the tragic earthquake in Japan. Global imbalances persist. The global crisis has left several countries in a position of low potential growth, high unemployment and large public deficits and debt. Ministers committed to maintain vigilance and to implement actions required to sustain recovery and minimize risks.

Ministers recognized that fiscal consolidation plans should be defined and implemented in earnest, taking into account country-specific conditions and the fragility of the recovery. Tax policy reform can play a key role in this effort. Structural reforms can elevate potential growth over the longer term.

Ministers expressed appreciation for the role of the OECD in assisting governments by providing policy advice, sharing best practices, and taking advantage of its expertise in structural reforms and multi-disciplinary analysis. They valued the OECD contribution to the G20, especially in the mutual assessment process, which is addressing the important issue of global imbalances.

### Growth, Jobs, Innovation, and Skills

Ministers agreed that the OECD is positioned to play an important role in helping governments to 1) sustain and strengthen the recovery; 2) maximize the job intensity of growth; and 3) address the chronic challenge of growing inequality to achieve a more equitable and sustainable growth. For the OECD to effectively play its role in the emerging system of global economic governance, the OECD should continue its work in the Economic Outlook and Going for Growth to incorporate analysis of structural measures to promote innovation, regional competitiveness, skills development, and strategies to improve labor markets for the long-term unemployed.

The Ministers also acknowledged that while all countries must have plans for fiscal balance in the medium-term – and some countries must deal with short-term fiscal crises – some countries have fiscal room to support a stronger recovery with continued policy support until there is clear evidence of strong and sustainable employment growth and a healthier employment situation is in sight.

Ministers underscored the priority of job creation and inclusion and noted the need for employment and social policies, including active labor market policies and programs for disadvantaged groups and regions, including unemployed youth. Ensuring an adequate supply of skills and maximizing the use of those skills in the workforce are keys to boosting economic growth and promoting social progress and inclusion. In particular, women represent an underutilized resource and their increased and more productive participation in the labor force would promote growth and poverty reduction. Ministers welcomed the



launch of the OECD Skills Strategy, which will provide a framework for identifying and disseminating good practices.

Innovation, supported by a strong intellectual property rights system, is fundamental to creating the industries and jobs of the future. Public policies and structural reforms can foster an environment conducive to innovation and entrepreneurship, which stimulates productivity and growth.

### Green Growth

Ministers welcomed the Green Growth Strategy and provided guidance on future work. They agreed that green growth tools and indicators can help expand economic growth and job creation through sustainable use of natural resources, efficiencies in the use of energy, and valuation of ecosystem services. Ministers noted that innovation, supported by a strong intellectual property rights system, is a key to countries' abilities to achieve economic growth, create green jobs, and protect the environment.

Ministers recognized that the underpinning of the Green Growth Strategy is that economic growth, job creation, and environmental protection are not a zero sum game – sustainable use of natural resources combined with environmental protection can improve the economy. Ministers encouraged the OECD to work further on indicators for green growth. They noted that green growth must resonate with countries at all stages of development and engage a broad range of stakeholders: private and civil sectors, the science community, women and youth. Ministers underscored that green growth policies should be considered within nationally defined contexts and priorities, and be applicable to economic actors of all dimensions, from small organizations to large corporations. Capacity development through education, skills training, knowledge sharing and innovation are essential to achieving green growth. Protecting dislocated workers is also important for the transition to a green economy.

### Women's Economic Empowerment

The Ministers welcomed the Interim Report of the OECD Gender Initiative, and called on the OECD to continue its work in this area. They called for the Secretary-General to take appropriate measures to implement the Way Forward and complete the Gender Initiative by next year's Ministerial. The ministers also affirmed that women's economic empowerment is critical to stronger, fairer, economic growth. They called on the OECD to work with other willing international organizations to create a plan to make existing gender data more comparable and useful, and to identify a list of common indicators for future data collection. The Ministers also expressed support for an announcement that the World Bank and UN Women have agreed to work with the OECD on a joint plan for the November 2011 High-Level Meeting on Aid Effectiveness in Busan, Korea.



### A New Paradigm for Development

Ministers welcomed a new comprehensive approach to development across the OECD. They endorsed the Framework for an OECD Strategy for Development, which outlines a broader development strategy for the Organization. The goal is to achieve higher, more inclusive, sustainable growth for the widest number of countries. This will be accomplished by greater collaboration and knowledge sharing including sharing policy successes and failures and engaging in mutual learning, as well as deepening partnerships between the Organization and developing countries that want to engage.

Ministers affirmed the new approach will also identify strategies to ensure that the broader policies pursued by our governments are coherent with the desire to promote worldwide development. It will build on the OECD's rich experience with development cooperation, and incorporate best practices emerging from cooperation between developing countries, including South-South and triangular cooperation.

The OECD will strengthen its development work in areas where it responds to demands and needs of emerging and developing countries, has core competencies, contributes to, but does not replicate, the work of other international and regional organizations and donors, and leverages its multi-disciplinary expertise. Ministers commented that the Chair of the DAC and the Chair of the Development Center Governing Board should work closely with the Secretary-General in the design and implementation of the development strategy.

They agreed the OECD should focus its development strategy on the following areas: innovative and sustainable sources of growth; mobilization of domestic resources for development, including by fostering a favorable investment climate; good governance; and measuring progress for development. Corruption, a lack of transparency, and poorly functioning tax systems are major barriers to long-term growth in many developing countries. They welcomed the establishment of the OECD's Tax and Development Program, which will assist countries to develop more effective tax systems and combat offshore tax evasion.

Several Ministers suggested these strategic areas should be complemented by work on fostering agriculture and food security. Ministers agreed that recent hikes in food prices have highlighted long-standing challenges in food security and economic development. An increase in global food production and agricultural productivity, and improving the functioning of global agricultural markets and trade are essential. The OECD, in cooperation with partner organizations, is placed to provide analysis and key policy insights building on current horizontal work and on experiences and expertise in developing countries.

Ministers acknowledged that development aid remains critical to reduce poverty and leverage other resources for development. They reaffirmed their commitment to aid and the priority they give to achieving the Millennium Development Goals.

Ministers recognized that the OECD's new approach will contribute to establishing a broader and more substantive partnership among all nations and private entities and to shaping the new international development cooperation architecture to emerge from the High Level Forum on Aid Effectiveness in Busan, Korea, in November 2011. Ministers



shared the view that governance reform plays a prominent role in supporting economic growth and development. The popular demands for freedom and economic opportunity in the MENA illustrate well the vital importance of achieving high standards in the formulation of policy, management of public finances, and the delivery of public services. Creating greater prosperity in the MENA region also requires creating better conditions for entrepreneurship and innovation. Ministers asked the OECD, based on its MENA program, to develop proposals for further work on this crucial issue with the goal of helping governments in designing, implementing, and coordinating corruption prevention measures and improving the investment climate in MENA countries.

### Trade and Jobs

Ministers reaffirmed the importance of the multilateral trading system and that this strong, rules-based system is an essential source of sustainable economic growth, development, and job creation. They expressed deep concern regarding the difficulties confronting the Doha Development Agenda (DDA) negotiations, and emphasized the need to seriously review next steps given that the results of the DDA will set the terms of global trade for decades to come. Ministers also renewed their commitment to resist protectionism, and shared the view of the need to refrain from taking WTO-inconsistent measures in the aftermath of recent natural disasters.

Ministers welcomed the International Collaborative Initiative on Trade and Employment (ICITE) as a timely effort to tackle pressing policy concerns. They lent their support to its objective to understand better the mechanisms by which trade affects patterns of employment, and agreed that dialogue and conclusions need to identify policies designed to spread the benefits of trade broadly among workers. Ministers looked forward to an opportunity to consider the ICITE findings in the context of the Meeting of the Council at Ministerial Level in 2012.

In view of the importance of the service sector for domestic economies, and taking into account the prospect of economic benefits from services trade expansion for all economies, Ministers applauded OECD efforts to deepen research on services trade and develop a Services Trade Restrictiveness Index that encompasses key sectors and countries that are, or aspire to be, major services providers. They encouraged the Members and the Secretariat to work with the enhanced engagement partners to ensure they also become a part of this important undertaking.



## Strategic Orientations for 2011 and beyond: framing priorities for the next 50 years

by Angel Gurría, OECD Secretary-General

We are celebrating the OECD's 50<sup>th</sup> Anniversary in the aftermath of the worst financial and economic crisis in our lifetime. This is an opportunity to take stock and to question ourselves: Why couldn't we avoid the crisis? What needs to be done to prevent another crisis? Are our economic theories, our economic models, and our assumptions still appropriate? What adjustments do we need in our mandate in order to fulfil our mission of "better policies for better lives"?

Simply returning to growth will not be sufficient. We must draw all possible lessons from the crisis. We need to do so against a background of climate change, high unemployment levels, particularly among the youth, increasing inequalities, large fiscal deficits and very high debt accumulation. The economic growth model we should champion must take into account the impact on the environment, its redistributive capacity and the international linkages, via trade, investment and migration. We need to challenge conventional wisdom, including our own, and advance new ways of addressing these issues. We are, after all, the institution that brought the increase in inequality to the attention of policy makers. We are the institution that has designed economic tools to better manage the environment. And we are also the institution that assesses measures and analyses demographic and migratory changes and policies. So we need to build on our strengths to advance powerful solutions to the challenges we are confronting.

Indeed, growth remains the key driver for employment and wealth creation. Fair and open markets, competition and innovation are all critical to growth. But we also need a more inclusive and greener model of growth based on sound institutions. Searching for new sources of growth that are also "green", more equitable and more "gender friendly" has become our common objective to overcome the effects of the crisis. All these policies have to be linked to employment and job creation. The OECD's work on employment, education, skills and social policies has made the Organisation a strong ally of workers and businesses and of all stakeholders interested in job creation, equal opportunities and inclusive participation. This must continue to be the case. Targeted support for the most vulnerable, employment, skills and education to ensure lifelong employability must remain a central focus of our work. We need to address the "E" policy priorities: Employment, Entrepreneurship, Education, Environment and Equality. In order to make this work effective and helpful to our citizens, our call of "going structural" has to be accompanied by a "going social." As outlined in our recent Social Policy Ministerial, overcoming inequalities by targeted social policies, by family and gender policies, by fostering intergenerational solidarity and by investing in the future of our children, will be crucial ingredients for future growth and development. We must focus even more on our relations with the social partners to reach such joint goals. We will continue to explore ways and develop techniques to monitor the quality of life of our citizens and their level of satisfaction, as well as to assess the performance of our governments in the delivery of public services and public goods. The benefits of an eventual convergence of both strands of work for the quality of public policies are quite obvious.

The "D" in OECD is about development and it is therefore a strategic priority. The OECD story is about promoting coherent policies for development. In the fight against poverty, in our efforts to meet the MDG's and to improve the lives of people we must take a broad view



and leverage our expertise in several policy areas. We therefore propose to the 50<sup>th</sup> Anniversary Ministerial meeting to work on a broader OECD strategy for development.

It is also essential that we exchange knowledge, analysis and advice with our partners in emerging and developing countries. Emerging economies are now the main drivers of global growth, and enhancing our collaboration with them will be mutually-beneficial. Our standards and our experiences, good and bad, can contribute to their thinking and development process. They in turn, can bring us fresh perspectives and help us address joint global challenges more effectively. Our Enhanced Engagement process has been extremely fruitful. However, to seize the full benefits of this co-operation going forward, we should jointly design better structured, more advanced modalities of work with these economies, within the context of a medium and long-term vision.

The regional dimension of our work must also be strengthened, including our work with Africa, Latin America, Southeast Asia, Central Asia, Eurasia and Southeast Europe. In the case of our work with MENA, we should now focus on a broader number of policy areas to support the transition.

Finally, we need to improve our co-operation and coherence with other international organisations and strengthen our support for international fora like the G8 and G20. We could have done better before the crisis if there had been more connectivity, cross-fertilisation and co-operation both among countries and international organisations. Thus, we need to strengthen multilateralism, and create an expanded network of countries and partners to improve policy making and implementation worldwide. This new multilateralism must have an overarching goal – “Better Policies for Better Lives” – and its ultimate target must be the welfare of all citizens.



*Angel Gurría,  
OECD Secretary-General*

Angel Gurría



## The Better Life Initiative

*Speech by President Türk*

Distinguished Secretary-General of the OECD, Mr. Angel Gurría,

Distinguished panelists,

Ladies and gentlemen,

It is a great privilege to have the opportunity to offer the key-note address on a subject of such great importance and intellectual excitement as the innovative concept of the Better Life Index, which brings a fresh perspective and a potentially transformative contribution to policy-making.

There are good reasons to believe that. The question of measuring social progress is critical for development and the well-being of individuals and, indirectly, for political stability and peace. It is almost axiomatic to say that what we measure shapes what we collectively strive to pursue, and what we pursue determines what we measure. This has been stated time and again, including in a much celebrated report on measurement of economic performance and social progress published in 2009.\*

The link between policy and statistics has always been very close and often subject of lively debate. At the time of crisis and transformation this link has gained additional importance. The policies to be put in place at a time like ours must be effective and, at the same time, they must strengthen social justice and human rights. They have to be designed with the necessary sophistication and responsibility. Hence the special importance of how we measure social progress.

In the effort to measure social progress we normally deal with aggregates and with indicators relevant to a given society as a whole. But let us not lose sight of the individual. Some may say that the individual has his own choices and is protected by human rights and a variety of legal standards and instruments that define his position and his potential with regards to such basic requirements as health, education, work and housing. But legal standards are often insufficient. They are too broad and imprecise to determine the course of governments' action which has a direct bearing on the situation of the individual. Often legal standards remain without an effect due to the absence of a meaningful government action and policy capable of creating the necessary conditions for their implementation. Therefore, these standards had to be combined with a wide variety of economic and social indicators, which, at the end, allow judgement on the level of achievement in the realization of the rights of individuals, as well as formulation of the relevant policies. Legal standards and statistical information have to go hand in hand.

All this is broadly recognized. Moreover, in the past decades much useful work was done internationally, including by the UN System. A good example of this is the UNDP, which has, through its series of human development reports, not only enriched the understanding of development, but also demonstrated the need for innovation and creativity in the way we measure human dimensions of development.

The debates which took place in the past decades have given rise to new realizations while at the same time confirming two basic premises of understanding that had already been firmly established earlier:

First, the statistical concepts of GDP and GDP per capita, while generally useful in policy making, were clearly insufficient for measuring social progress, let alone for the assessment of implementation of the human



*Danilo Türk,  
President, Slovenia*



rights of individuals. The expectation that growth would necessarily “trickle-down” to benefit the individual in his legitimate expectations of social development and the realization of human rights had been an illusion. Unfair distribution of the fruits of growth has been and continues to be a major obstacle to social development and must be properly understood as such and, indeed, addressed by policies inspired by the idea of social justice. In order for this to happen we need sophisticated instruments, including the techniques of measurement which will be sufficiently broad and capable to respond to the needs of the individual.

Second, human rights such the right to the highest attainable standard of physical and mental health, the right to education and the right to work can be implemented only progressively. Under the terms of the UN Covenant on Economic, Social and Cultural Rights, a treaty which binds more than 160 state parties today - an impressive number by any standard - all the state parties must take steps (quote) “to the maximum of their available resources” (unquote), to make the implementation of the Covenant effective. The agreed interpretation of this phrase underlines that even in times of severe constraints - whether caused by a process of adjustment, of economic recession, or by other factors - the vulnerable members of society must be protected by appropriate programmes of social and economic policy. This is an important principle which policy makers are not allowed to neglect and where expert advice is clearly needed.

The mentioned basic considerations of human rights are not dramatically different from the basic concerns of the policy makers dealing with the issues of economic and social development. At the same time, the question of the meaning of social progress and development remains elusive. The setting of priorities of social development is shaped by economic, cultural and political factors, which vary from one society to another. No wonder therefore, that the Istanbul Declaration, adopted at the Second World Forum on Statistics, Knowledge and Policy that was convened by the OECD in 2007 emphasized the need to (quote) “encourage communities to consider for themselves what “progress” means in the 21st century.” (unquote)

All over the world the Governments and political leaders engage in the search of an answer to the question of what “progress” means for their societies. In the industrialized world it is becoming clear that the level of economic saturation requires policy makers to look beyond the GDP as the measure of progress. The recent reports by the IMF and the European Commission confirmed that high levels of growth are not expected in the industrialized world any time soon. Social progress has to be defined in terms other than growth.

Furthermore, it has been realized that GDP growth ignores sustainability: Growth may increase income today, but decrease it in the future. The recent financial crisis has brought bitter lessons. For example, systemic risk - raising financial products created an illusion of growth, while in reality they opened the way to the recent recession and to the largest contraction of GDP in decades. Growth in such sectors as housing and construction has proven to be unsustainable and caused considerable instability.

The picture is substantially different in the developing world. In much of the developing world, GDP growth continues to be the most relevant, in



## The Better Life Initiative

*Speech by President Türk*

fact the essential indicator of social progress. How else can one imagine to bring large segments of population from rural poverty to the point at which the poor become consumers and where social progress is expressed in such undeniable indicators as high education levels and longer life expectancy?

While it is clear that fundamental differences exist between developed and developing societies it is also clear that what is needed is a comprehensive policy framework for each country. Such a framework should allow the use of the existing indicators, including the per capita GDP growth, and should include - with the necessary sense of priority - the issues of income distribution and participation in decision making. Obviously, the policy framework, which includes consideration of issues of income distribution and participation, goes to the heart of national politics and national sovereignty. It can only be fully developed by national governments. International actors can help, but they need to be aware of the sensitivity of the matters at hand.

Allow me to make a brief reference to the experience of my country, Slovenia, in this context. At present we are starting to see the difference between growth and social development with unprecedented clarity. Like in the developed world in general we, in Slovenia, are witnessing the easing of recession. The contraction of our GDP was considerable - more than 8 percent in the year 2009. Modest growth resumed in 2010. It is expected to reach the level of 1,9% this year and 2,5% next year, according to the estimates of the European Commission. This is slightly above the EU average, which is expected at the level of 1,6% this year and 1,8% the next year. Therefore, as a technical matter, one could assert that recession is over. Yet this assertion brings very little consolation and is not hailed by anybody, least of all the policy makers. They have to think in terms of specific challenges to social development, in particular those related to growing unemployment.

The rate of unemployment in Slovenia has grown to a level of 8,2%. This is a high level by our standards and it was reached in a relatively short period of time. For the national policy makers the most disturbing element is that unemployment is likely to stay relatively high in the foreseeable future.

This creates a set of challenges for the policy makers. Let me refer to one among them. It is obvious that a responsible government must secure the necessary social safety net and social transfers to help the unemployed. However, government assistance and social transfers to the unemployed do not solve the problem. While they mitigate the worst economic effect for those who have lost work, the threat of poverty continues, mainly in the form of social exclusion. This situation is not sustainable. Social peace, which may be established by virtue of government subsidies and social transfers, is precarious. It can be effective in a short run, but in the long run the only real solution is in productive and decent work.

Generally in Europe, combining social justice and economic competitiveness represents the historical essence of development. Decent work is a necessary ingredient of that essence. Today, at the time of recession and its aftermath when higher rates of unemployment are a fundamental problem, the implementation of such a strategy will be both more pertinent and more difficult. It will call for new approaches to the identification of employment opportunities, for a new understanding of the meaning of work and for new methods of measuring social progress.



In this context the recommendations made in September 2009 by the Commission on the Measurement of Economic Performance and Social Progress (“Stiglitz, Sen, Fitoussi Commission”) offer some new and potentially important avenues. They also show how the way we measure social progress can help.

The report suggests a shift in focus from measuring economic production to measuring people’s well being, an emphasis on the household perspective and on a joint consideration of income, consumption and wealth. It also suggests to broaden the income measures to non-market activities including the home-produced goods and services. In addition, it suggests that measuring both objective and subjective dimensions of human well-being is possible and desirable.

This is a promising set of propositions. It provides an opportunity to take a fresh look on a number of classical factors of human well-being - including work. First of all, it rightly suggests not to look at work in isolation, but together with other “personal activities”. Paid work has to be observed and measured together with other activities such as unpaid domestic work, commuting and leisure. However, the report recognizes the primary importance of paid work, which provides income as well as identity and social interactions, but which may be also a source of negative experiences and risks. All these dimensions of work are missed by simple employment counts. The qualitative aspects of work are a subject of specialized studies, most notably in the context of ILO’s effort to promote the concept of decent work, a multidimensional concept which includes such elements as decent work hours, adequate earnings, stability and security of work, safe work environment and social dialogue. Each of these elements can be measured with several indicators and, as a result, a clearer picture of the human well being at work can be drawn.

Let us assume that such a measurement is completed. What kind of issues should be put before the policy makers? In my opinion, we need to address two sets of issues.

On the one hand, certainly, there will be a good reason to improve the conditions of work. The concept of decent work is an expression of a value per se: Labour is not a commodity; therefore care for its quality is important in any decent society.

But beyond that there is another question of great importance: Should policy makers look for new approaches to paid work, those which might be expected to provide new employment opportunities? In some situations there are reasons for shorter work hours and a different organization of work, allowing among other things more work to be done from home. In others there will be a need to strengthen the civil society based sector of employment, to expand the number of non governmental organizations that are able to combine paid work for some with productive involvement of volunteers, who might be interested in doing meaningful work for smaller earnings. Social entrepreneurship can be given a fuller meaning and a larger scope of activity.

In this connection it would be useful to compare the experiences of different countries, to explore the hitherto underdeveloped possibilities in certain sectors of services - such as care for the elderly - and develop appropriate credit mechanisms and marketing techniques to provide space for new entrepreneurship and employment opportunities.





## The Better Life Initiative

*Speech by President Türk*

Obviously, ideas like these are not new. They have already been carried out in different ways and to different extent in a number of countries around the globe. It is also clear that establishing legal conditions for innovation in employment requires country specific analysis and carefully designed legislation. However, in the aftermath of the recent recession it seems necessary to look at the questions of paid work and other personal activities in new ways. Measuring the variety of issues related to this is becoming increasingly important and would be helpful to national and international policy makers.

And let us not forget that we all belong to the globalized world and therefore need to understand the importance of the implementation of the Millennium Development Goals.

It has been widely recognized that the implementation of MDGs has been uneven and generally below expectations. The recent recession has added to the problem. Policy makers cannot be satisfied with what has been achieved, notwithstanding some major successes of the past decade, in particular those made in Asia.

However, from a methodological point of view, measuring progress towards the achievement of the MDGs represented an important success, as it has reached far beyond the sole criterion of GDP or GDP per capita. It has proven, beyond any doubt, that it is possible, and often even likely, that fast growth of the GDP and slow poverty reduction go hand in hand. A greater focus on income distribution is called for. At the same time the question of sustainability of social progress represents a policy challenge: How much inequality is necessary to drive development without endangering the social balance required to make development socially sustainable?

These are questions for policy makers. But monitoring and the requisite technical expertise must also progress. Millennium development goals may not be met by 2015, as originally hoped for, but there is no reason why the progress made could not be presented to the international community in a sufficiently comprehensive and persuasive manner. We all know that the world is an imperfect place. But the world does not need new promises. It needs a full picture about its achievement, and, above all, about the ways of poverty reduction. Statistical techniques can help in developing better understanding of the process of development and in devising more effective policy tools to reduce poverty and to enhance social development and social justice.

This brings me to the need for new techniques of measuring progress and to the Better Life Index to be discussed this morning. Obviously, the panelists will present the Better Life Initiative and Better Life Index in detail. Let me therefore refer to some of its basic features that appeal both to a layman as well as to a policy maker.

First, the vast experience and expertise of the OECD is brought to bear. The reliability of data and their elaboration has resulted in a high level of credibility necessary for their use by both citizens and policy makers.

Second, the aim to involve citizens is fundamental. Debates on the measuring of social progress have often been too technical or too political - in both cases remote from the need of the citizens to engage in policy formulation.

Third, the ability for everybody to define his own priorities and create his own index gives an important opportunity to individual's choice



and comparison of policies and the necessary trade-offs. Comparisons between different countries and their priorities and achievements become more complete. The use of the Better Life Index allows participants to understand the dilemmas of policy makers better.

And fourth and final, the index allows for further development, in accordance with the needs of governments, research organizations or citizens. A better informed public debate can produce better policies and better results for the individual.

Ladies and gentlemen,

Innovation and sophistication in the ways we measure social progress has been on the agenda of the international institutions for decades. Only since the introduction of the UNDP's human development index onwards, i.e. in the past two decades we have witnessed a gradual improvement of the understanding of development and progress. The search for ever better, more comprehensive and more precise ways of measuring progress is a vitally important task of our era. This is necessary in order to find new and adequate answers to problems such as persistent unemployment and to make the normative propositions of human rights realistic. So let us learn about the Better Life Index as a promising contribution to the achievement of this objective.

Let us now listen the presentation and the comments by the panelists.

Thank you.

## The OECD Economic Outlook: Seeking a durable recovery for all

by Pier Carlo Padoan, Deputy Secretary-General & Chief Economist

The global recovery is becoming self-sustained and more broad based. The recovery is taking place at different speeds, between advanced and emerging economies, but also within the first group of countries. Unemployment remains high across most of the OECD countries. In most, headline inflation has risen strongly, and expectations are also drifting up; however, underlying inflation seems likely to edge up only slowly. Vibrant domestic demand growth, negative supply shocks and strong capital inflows in non-OECD economies are generating inflationary pressures prompting policy restraint that could slow the recovery.

Such a scenario calls for differentiated policy responses in advanced and emerging economies. In both groups of countries structural reforms should play a key role while taking into account country-specific needs and institutional features. In advanced economies, structural reforms can boost potential growth, thereby facilitating fiscal consolidation and easing the pace of monetary policy normalisation. In emerging economies, monetary policy should tighten more to curb inflation, but this option risks being constrained by inducing stronger capital inflows. In emerging economies, structural reforms could make growth more sustainable and inclusive, while contributing to global rebalancing and enhancing long-term capital flows.

The outlook is surrounded by risks. Some of them are endogenous to the pace of expansion; others are associated with the possibility of specific events. Upside risks include unexpected short-term stimulus from additional structural measures and more buoyant private-sector activity as confidence increases. Some of the risks are two-sided. Oil prices may rise or fall back over the projection period. While the earthquake and tsunami in Japan could have additional negative consequences on activity further reconstruction packages could hasten the rebound. Most risks are on the downside, however, including: further increases in oil and other commodity prices which could feed into core inflation, a deeper slowdown in China, an unsettled fiscal situation in the United States and Japan and renewed weakness in housing markets. Financial vulnerabilities are increasing in the euro area in spite of strong adjustment efforts in peripheral countries. A concern is that, if downside risks interact, their cumulative impact could weaken the recovery significantly, possibly triggering stagflationary developments in some advanced economies.

All this suggests that the global crisis may not be over yet. Policy makers must intensify efforts to deal with medium-term challenges. Four such challenges stand out: dealing with high unemployment and preventing it from becoming entrenched; sustaining growth and avoiding stagnation; making progress in fiscal consolidation; and managing global imbalances while supporting orderly saving reallocation. These challenges are interconnected and require a comprehensive and credible policy approach.

While the recovery is bringing some improvements in labour market conditions in advanced economies, total, and especially long-term, unemployment remains high in many countries. Also drawing on lessons from the crisis, labour market policies have a key role to play in preventing cyclical unemployment from turning structural. Such policies could include more effective placement services with training to match workers and jobs; rebalancing employment protection towards temporary workers; and temporary reduction in labour taxation through



*Speech by Pier Carlo Padoan,  
Deputy Secretary-General & Chief  
Economist.*



“Economic Outlook Panel”

(Left/Right) Chris Giles, Economics Editor, Financial Times, UK; Stanley Fischer, Governor of the Bank of Israel; Felipe Larraín, Finance Minister of Chile and Andrus Ansip, Prime Minister of Estonia at the Economic Outlook Panel. Also on the panel Mr. Olli Rehn, Commissioner for Economic & Monetary Affairs, EU and Mr. Richard Trumka, President, American Federation of Labor & Congress of Industrial Organizations, TUAC

well targeted marginal job subsidies in countries where labour demand is weak. The employment impact of such measures would be boosted by stronger competition in sectors such as retail trade and professional services. Moreover, the crisis has demonstrated the utility of well designed work-sharing arrangements in minimising employment loss during downturns.

Return to work and competition-enhancing measures would also contribute to stronger potential growth, which could otherwise remain weak. Indeed, as experience shows, following financial crises there are risks of stagnation as structural adjustment and financial repair are delayed. Stagnation could also emerge from persistent deterioration of the structural and business environment. Even if such risks do not materialise the impact of the crisis in lowering potential output is becoming clearer. Such permanent output loss could, eventually, lower realised growth rates. The potential for growth-enhancing structural reforms and policies to unleash new sources of growth is substantial. Governments should intensify their efforts in implementing them.

Lower growth would feed back negatively on fiscal consolidation, while evidence shows that, beyond some thresholds, public debt levels have a negative impact on growth. In spite of some improvement in fiscal positions, consolidation requirements to merely stabilise debt are substantial for many countries.

The United States and Japan, for which such requirements are among the largest, have yet to produce credible medium-term plans while other countries need to bolster medium-term fiscal targets by specifying the measures that will be implemented to achieve them. For most countries, further action would be needed to bring debt levels back to pre-crisis levels. The overall scenario has changed with respect to the pre-crisis situation when a significant contribution to fiscal sustainability came from the fact that interest rates were well below growth rates. This is unlikely to be the case in the years to come as interest rates will



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rise and growth could be slower. Structural reforms, while boosting growth, can also help fiscal consolidation by increasing efficiency in the provision of key services such as health and education. Finally, it would be dangerous to believe that higher inflation could address debt sustainability. Higher and persistent inflation could damp real growth by raising price and exchange-rate volatility. It could also risk unhinging inflation expectations, with the result that interest rates would soon increase more than inflation.

Last but not least, imbalances have been widening again as the global economy is recovering. They show, however, a somewhat different configuration as China's current account surplus is well below precrisis peaks due to adverse terms-of-trade movements and less buoyant export performance, and high-saving oil-producing economies see mounting surpluses. A desirable rebalancing mechanism should be growth-enhancing and sufficiently symmetric to avoid putting an excessive burden on deficit countries. Such a rebalancing would require more exchange-rate flexibility, which could also help mitigate inflationary pressures in countries where these are strong, while country-specific structural reforms could help to reduce saving and raise investment in surplus countries, and boost saving in deficit countries. In monetary unions, competition-enhancing reforms of labour and product markets could also facilitate adjustments in external positions.

The policy challenge is not to eliminate imbalances but to keep them sustainable, so as to facilitate international reallocation of savings in ways that are supportive of growth. This requires open and longterm-oriented capital markets. Structural policies have an important impact on size and composition of capital movements. At the same time there is a need to reconcile open capital markets with the goal of coping with short-term instability through temporary measures. It is important that, including under the auspices of the G20, advanced and emerging economies agree on a framework that would allow such goals to be reconciled.

The global economy is exiting the recession but is not returning to business as usual. The post-crisis economy will have to deal with old and new challenges, while pursuing new, green and inclusive sources of growth. This requires rethinking the policy paradigm as we draw lessons from the crisis.

In framing the new, post-crisis policy paradigm, some of the existing principles underlying policy should be confirmed, such as those related to supply-side responses to boost growth, while recognizing that such policies have additional positive effects on rebalancing and fiscal consolidation. The assignment of monetary policy to achieve price stability and a rule-based fiscal policy to achieve sustainable public finances should be confirmed, while the contribution of fiscal institutions to fiscal discipline could be further explored. But additional lessons should be drawn. The endogenous generation of instability and imbalances out of (apparent) tranquillity, a phenomenon common to several if not all crisis episodes, has been dangerously overlooked. This reinforces the need for financial-sector reform and tighter prudential policies, both at the micro and macro levels.

Finally, as a more complex world than what we believed to be the case requires a broader policy tool kit, we also need to take a closer look at



how such tools interact and what can be done to enhance synergies. In this vein another lesson from the crisis is that international cooperation is important both in dealing with emergency situations and in shaping the way forward. This requires agreement on common principles, and, if necessary, common rules, while allowing for country-specific needs. As we slowly leave the crisis behind us, we should be wary of the risk of losing impetus in the search for better global economic governance.

25 May 2011

Pier Carlo Padoan

Deputy Secretary-General and Chief Economist

## Bringing People Back to Work



*(Left/Right) Mr. Terry McGraw, President & CEO of The McGraw Hill Companies & President of the USCIB, BIAC  
Ms. Mari Pangestu, Minister of Trade, Indonesia  
Mr. Danilo Türk, President, Slovenia  
Mr. Ewa Björling, Minister of Trade, Sweden  
Mr. Ernesto Cordero Arroyo, Minister of Finance & Public Credit, Mexico*

## Green and Growth Go Together

Presentation by Kim Hwang-sik, Prime Minister, Korea

Your Excellencies Heads of State and Government,  
Ministers, Mr. Secretary-General,  
Distinguished Participants,  
Ladies and Gentlemen,

I would like to begin by offering my heartfelt congratulations to the OECD on its 50th anniversary. It is a great honor for me to be part of this forum, where the OECD has set the Green Growth Strategy on top of its agenda.

It is extraordinary in at least three ways.

First, as Victor Hugo once said, it provides a vivid example of how powerful an idea can be whose time has come. Three years ago, “Low Carbon, Green Growth” was proclaimed as Korea’s national vision for the future. At the time, the announcement drew some international attention. Then, two years ago, the OECD took hold of the idea when my predecessor Dr. Han Seung-Soo led the adoption of the Green Growth Declaration at the 2009 OECD MCM. Today, the entire world is embracing the idea of green growth.

Second, it showcases what the OECD can do in the face of global challenges. We all know the OECD’s remarkable capacity that has turned a powerful idea into reality. The credit is due not only to OECD member countries and stakeholders, but also to the outstanding leadership of the OECD Secretariat led by Mr. Angel Gurría. Together, they deserve a big hand .

Third, it highlights an inspiring paradigm shift in human history. Only recently have we come to realize that resources are limited and that we must protect the environment. Under this new paradigm, “green” and “growth” go together. Like innovation, green growth is a new source of growth. And at the same time it takes into account environmental protection and the resilience of mother earth. Green growth represents a historical change in the way we structure our lives.

Ladies and Gentlemen,

As a pioneer, the Korean government has been actively promoting a policy of “Me First.” With its 5-year National Plan on Green Growth, Korea has allocated 2 per cent of annual GDP to green growth projects, double the UNEP’s recommendation. In November 2009, Korea set a mid-term target to reduce greenhouse gas emission by 30% below BAU levels by 2020. Last April, a bill for the emissions trading system was proposed to the National Assembly. These efforts are already beginning to bear fruits.

Over the past 3 years, Korea’s renewable energy sector grew six fold. Green investment in the private sector increased by 74% annually. Also, green growth was a key agenda at the G20 Summit in Seoul last year. We know that those are just small steps towards a total “green conversion”. Nevertheless, Korea is determined to meet the challenges and achieve its vision of green society in the coming decades.



Kim Hwang-sik,  
Prime Minister, Korea





## Green and Growth Go Together

*Presentation by Kim Hwang-sik, Prime Minister, Korea*

Ladies and Gentlemen,

To be successful, green growth needs to be global and cross over borders. As citizens of planet earth, we all share the responsibility for a sustainable future. Hopefully, all countries are mandated to join this truly important initiative. With this view in mind, Korea will be hosting the Global Green Growth Summit with the OECD next month under the theme, “Building a Planet-Responsible Civilization”.

It is particularly important to work together with developing countries, while keeping in mind that there is no one-size-fits-all solution. As green neckties come in many different shades, green growth strategies should be tailored to each country’s unique set of circumstances. In this context, the role of the Global Green Growth Institute will be highlighted by helping developing countries establish their own green growth strategies.

As part of such efforts, President Lee Myung-Bak proposed the ‘East Asia Climate Partnership’(EACP) in 2008, aiming to assist developing countries, and foster regional cooperation. Now, I would like to take this opportunity to announce that the ‘Global Green Growth Partnership’ will take the EACP a step forward and be applied globally. This greater partnership will provide a global platform to pool collective wisdom and share green know-how.

Ladies and Gentlemen,

Today, across the table from me, I see the host country delegates of the UNFCCC’s COP 15 and 16. I would like to acknowledge the outstanding milestones set by Denmark and Mexico, and I hope that the coming COP 17 in South Africa will produce another valuable outcome. Korea wants to follow up these achievements by hosting next year’s COP 18. Korea’s contribution bridging developed and developing countries was clearly proved at the G20 Summit in Seoul. Korea is ready to utilize these experiences to expedite the global dialogue on climate change.

Ladies and Gentlemen,

The OECD’s Green Growth Strategy is but the first chapter in the book to be written on green growth. While the OECD leads the way for the global community, we must combine forces in a truly coordinated manner to build a better greener world. In closing, if you all agree, I would like to declare that the OECD’s Green Growth Strategy be now delivered to the global community.

Thank you very much.



## Green and Growth Go Together

*Presentation by Angel Gurría, OECD Secretary-General*

Distinguished Leaders, Ladies and Gentlemen:

The launch of our Green Growth Strategy is a landmark in the history of this Organisation.

It is a great pleasure to present this report with Prime Minister Kim-Hwang-sik of Korea. His country has been a beacon for us all in leading on Green Growth.

### **An Actionable Framework**

The Strategy provides an actionable framework for addressing the twin challenges of expanding economic opportunities, while reducing environmental pressures that could seriously undermine our ability to seize those opportunities.

It brings together three deliverables:

- A synthesis report Towards Green Growth which makes the economic case for green growth and sketches the policy frameworks to make it happen;
- A toolkit, Delivering on Green Growth;
- And last, but not least, a report on indicators to measure progress. This is work in progress. This is why this report puts forward an ambitious measurement agenda.

Let me briefly highlight some key recommendations.

### **One size does not fit all, but some principles apply broadly**

Green growth is not about piece-meal measures - we need a transformational change in our economic model of growth.

- We need wider application of price signals to reflect the true value of natural resources, the costs of pollution, and provide the right incentives to change behaviour and encourage innovation. Environmental fiscal reform is key. Higher environmental taxes, for example, combined with lower taxes on labour can be a successful strategy for growth-oriented tax reform. Phase-out of subsidies on fossil fuels, is also critical. India and Indonesia are setting a strong example.
- Price signals, however, are not sufficient by themselves. We need complementary regulations and performance standards that address pollution or energy efficiency.
- We also need to scale-up green innovation and make it shared across national borders. Governments have a critical role through funding research, targeting barriers to early-stage development, and accelerating technology transfer. We also need to provide the long-term policy certainty to business to mobilise their talent and resources for green innovation.
- At the same time we need to guard against any downside risks or unintended consequences. Greener growth will see new jobs created, but we need suitable labour market policies to facilitate the re-allocation of workers from contracting to expanding sectors. We also need to address any distributional consequences through targeted compensatory measures, for example to low income households.

## Green and Growth Go Together

Presentation by Angel Gurría, OECD Secretary-General



Angel Gurría, Secretary-General of the OECD speaking at the Green Growth panel

Mr. Simon Upton, Director, OECD (roundtable discussion)  
Mr. Kim Hwang-sik, Prime Minister, Korea  
Mr. Jens Stoltenberg, Prime Minister, Norway  
Ms. Iveta Radičová, Prime Minister, Slovak Republic  
Mr. Maxime Verhagen, Deputy Prime Minister & Minister of Economic Affairs, Agriculture and Innovation, The Netherlands  
Ms. Lene Espersen, Minister of Foreign Affairs, Denmark  
Ms. Patricia Espinosa Cantellano, Minister of Foreign Affairs, Mexico  
Mr. Achim Steiner, Executive Director, UNEP  
Mr. Randolph Rodenstock, BIAC  
Ms. Sharan Burrow, TUAC

Finally, we need to monitor green investment measures to ensure that they are not used as disguised protectionism.

### Implementation: Where the Rubber hits the Road

The implementation of green growth at the country level needs to mirror the multi-sectoral approach we have taken at the OECD to develop this Strategy. This also implies a leading role for Ministries of Economy and Finance to ensure that the contribution of natural capital to growth is captured in economic policy making.

But our job at the OECD does not end here. We will continue to work on indicators to monitor progress. We will tailor the Strategy to provide country and sector specific guidance. And we intend to make Green Growth an integral part of our Economic Surveys.

I very much hope that the recommendations of the OECD Green Growth Strategy reach as many countries as possible. And we count on your help. Thank you.





## Riding the storm

*Lessons from leaders*



*Mr. Sebastian Piñera, President, Chile; Secretary-General Angel Gurría, OECD; Mr. George Papandreou, Prime Minister, Greece; Mr. Victor Orbán, Prime Minister, Hungary.*





*Mr. José Manuel Barroso, President of the European Commission; Mr. Naoto Kan, Prime Minister, Japan; Secretary-*



*General Angel Gurría, OECD; Ms. Hillary Clinton, US Secretary of State; Mr. François Fillon, Prime Minister, France;  
Photo: OECD/Victor Tonelli.*



## 50 Anniversary Family Photo



25 May 2011- (Left/right front row to back row):

Jens Stoltenberg, Prime Minister, Norway; George Papandreou, Prime Minister, Greece; Andrus Ansip, Prime Minister, Estonia; Kim Hwang-sik, Prime Minister, Korea; Werner Faymann, Federal Chancellor, Austria; Sebastian Piñera, President, Chile; Hillary Clinton, Secretary of State, United States; Angel Gurría, Secretary General, OECD; Bernd Pfaffenbach, State Secretary, Germany; Naoto Kan, Prime Minister, Japan; José-Manuel Barroso, President of European Commission; Yves Leterme, Prime Minister of the caretaker government, Belgium; François Fillon, Prime Minister, France; Viktor Orbán, Prime Minister, Hungary; S. Sigfússon, Minister of Finance, Iceland; Elvira Nabiullina, Minister of Economic Development, Russian Federation;raig Emerson, Minister of Trade, Australia; Mitja Gaspari, Minister of Development & EU Affairs, Slovenia; Ivan Miklos, Deputy Premier and Finance Minister, Slovak Republic; W. Pawlak, Deputy Prime Minister & Minister of Economy, Poland; Avigdor Liberman, Deputy Prime Minister & Minister of Foreign Affairs, Israel; Elena Salgado, Second Vice President & Minister of Economy and Finance, Spain; Eamon Gilmore, Tanaiste & Minister for Foreign Affairs & Trade, Ireland; Maxime Verhagen, Deputy Prime Minister & Minister of Economic Affairs, The Netherlands; Karel Schwarzenberg, Deputy Prime Minister & Minister of Foreign Affairs, Czech Republic; Pravin Gordhan, Minister of Finance, South Africa; Tomas Anker Christensen, Minister of Foreign Affairs, Denmark; Paavo Väyrynen, Minister of Foreign Trade & Development, Finland; Mari Pangestu, Minister of Trade, Indonesia; Giulio Tremonti, Minister of Economy & Finance, Italy; Nobuo Tanaka,



Executive Director, International Energy Agency; Ibrahim Canacki, Undersecretary of the Treasury, Turkey; YU Jianhua, Assistant Minister of Commerce, Rep.de Chine ; Ted Menzies, Minister of Finance, Canada ; Schneider-Ammann, Head of the Federal Department of Economic Affairs, Switzerland; Tim Groser, Minister for Trade & Climate Change Negotiations, New Zealand; Jeannot Krecke, Ministre of Economy and Trade, Luxembourg; Patricia Espinosa Cantellano, Minister of Foreign Affairs, Mexico; Ewa Björling, Minister of Trade, Sweden; Valdemar Carneiro Leao Neto, Undersecretary for Economic and Financial Affairs at the Foreign Ministry, Brazil; Cravinho, Secretary of State for Foreign Affairs & Cooperation, Portugal; Dominic Martin, Permanent Representative to the OECD, United Kingdom; Kåre Bryn, Secretary General, EFTA; Jaime Caruana, General Manager, BIS; Mircea Geoana, President of the Romanian Senate, Romania; El Mustafa Sahel, Ambassador, Morocco; Héctor Timerman, Minister of Foreign Affairs, Argentina; Charles Heeter, BIAC Chairman; Gilles Bauche, Advisor, IMF; Steven Pursey, Head Representative, ILO; Rebecca Grynspan, UN Under-Secretary General, UNDP; Mahmoud Mohieldin, Managing Director, World Bank; Sai El Hachini, Counsellor Information and External Relations, World Trade Organisation; Richard Trumka, President, AFLCIO, TUAC; Khaled Emara, Vice Minister for Economic Affairs, Egypt; Lina Terra, Minister Counsellor, Lithuania; José Antonio Arrospe del Busto, Ambassador of Peru to France. OECD Conference Centre, Paris, France.

Source: Jean-Pierre Pouteau/OECD

## Public Commemoration of OECD's 50th Anniversary

*Address by Hillary Clinton, US Secretary of State*

Thank you very much, Secretary General. And indeed, it is a great honor for me to be here on behalf of the United States, along with my colleagues, Ambassador Ron Kirk, Chairman of the Council of Economic Advisors Dr. Goolsbee and, of course, Ambassador Karen Kornbluh.

This is such an auspicious occasion as we mark the 50th anniversary of the important work that the OECD has done. But before the OECD, there was General George C. Marshall. He realized that a peaceful, stable Europe would need more than rebuilt town squares, railroad tracks, and factories. He knew that Europe needed a community of shared economic values. And therefore he, along with President Truman, decided to convene such a community. And what we saw was this remarkable commitment to the rebuilding of former adversaries at the end of a devastating world war because there was a recognition that we needed, as the slogan goes, better policies for better lives, and that through those better policies that would create better lives, there would be a greater chance for peaceful cooperation and real human security.

When President Kennedy ratified the OECD convention 50 years ago, he, too, hoped to help widen the circle of economic cooperation. What followed for the OECD, and indeed for the world, surpassed even his ambitious vision. Because we did not seek economic growth just for ourselves, but we understood that we would all benefit from growing the pie, and we welcomed partners into a system designed to help all nations begin to create better lives for their own people. And as a result, together we helped usher in the greatest era of growth the world has seen.

A group of European nations, along with the United States, became a transatlantic community and then the global network that we celebrate today with 34 countries, a secretary general from Mexico, a prime minister from France, a prime minister from Japan, and the president of the European Commission, and partners from all over the world. But for all of its changes, the OECD remains as it was in those earliest days, a community of shared values, open and effective markets, human rights, freedoms, and the rule of law, accountable governments and leaders, free, fair and transparent competition, President Kennedy's belief that a rising tide can and must lift all boats.

So for five decades this has been a laboratory and a launching pad for smart economic policies to bring those values to life. Member states have improved labor conditions, exposed tax havens, worked in ways large and small to hold ourselves and others to even higher standards. Now, I'm aware that these efforts rarely win a great deal of publicity. This is the hard, sometimes frustrating, difficult work of forging consensus and creating new and hopefully more effective ways of reaching toward our common goals. Because this is a place where leaders and technocrats, business, labor, and civil society can find common ground and produce tangible benefits for our fellow citizens.

But let me quickly add that success was never a foregone conclusion. That's why these 50 years are especially worth celebrating today. And yet even as we stop and mark this anniversary, we recognize that the work now being done is occurring during a time of dramatic economic changes. Many nations in this room, including my own, are still recovering from the worst financial crisis since the Great Depression. Rising economic powers are gaining a larger share of the world's wealth



*Hillary Clinton,  
US Secretary of State*



and influence. And one of the underlying convictions of the OECD is that when one gains in wealth and influence, one also must accept greater responsibilities.

Two decades ago, when the Berlin Wall came down, the nations of Eastern Europe turned to the OECD for help not only to build democracies, but also market economies. And today, we need to work with a new generation of emerging economies and emerging democracies as they chart their own futures. The values, standards, and hard-won knowledge of the OECD are as essential as ever. And it falls to us to promote them in this tumultuous time. I applaud the OECD for its bold vision statement which we are unveiling today for endorsement by this ministerial. I believe if this vision statement is followed and implemented through specific, concrete actions, it will help the OECD to have its next 50 years be as successful as its past.

I want briefly to touch on three of the most important ideas. To start, many of our nations are seeking a stronger economic recovery. All of us want more opportunities and more jobs for our own citizens. So the OECD must continue to deliver forward-leaning policies that help unlock the potential for inclusive, sustainable economic growth. Sometimes that means raising standards for how our companies operate and compete. Other times, it means making markets more effective and lowering economic barriers.

For example, we must continue to use this venue to stimulate new jobs from sources like clean energy and more energy efficiency. We need to be serious about eliminating barriers to trade, investment, and fair competition both at our borders and behind them. Through its work on such complex challenges such as export subsidies, the OECD is critical. And if we want to unleash the full potential of entire societies, we must do more to support women and girls who want to learn, work, and start their own businesses, which is why I'm very proud to support the OECD's Gender Initiative.

In a few minutes, we will also endorse the OECD's updated guidelines for multinational enterprises. These guidelines, developed in close consultation with both business and labor, set a new higher standard for how our companies should operate, including an important new chapter on human rights. Second, development was at the heart of the OECD's founding mission – in fact, the “D” at the end of the title. And it belongs at the center of our agenda today and in years to come.

Each year, the chair chooses a theme to highlight. And since the United States has sought to elevate development within our own foreign policy, we wanted to focus on what the OECD can do to foster more effective development practices. We start by recognizing that aid, while it remains essential, is not enough to deliver sustainable growth. Countries must be the authors of their own development. And we need to make it a priority to help nations mobilize their own resources to create those greater opportunities.

But what do we expect of such countries? Well, we expect that they need to fight corruption. They need to be transparent about budgets and revenues. And they need to collect taxes in an equitable manner, especially from their own elites. They need to put in place regulations designed to attract and protect investment. And the OECD is here to help when they ask for it. This is, after all, a body of knowledge that the OECD



## Public Commemoration of OECD's 50th Anniversary

*Address by Hillary Clinton, US Secretary of State*

has been uniquely building for decades. And today, a new set of nations is looking to learn these same lessons. From Latin America, to Africa, to Southeast Asia, and now to the Middle East and North Africa, this is the moment to leverage the strengths of this organization to deliver transformative growth. And the OECD's new framework for development marks an important step in that direction. I will return to these issues at greater length tomorrow, but I wanted to use this 50th anniversary celebration to emphasize their importance.

And third, we cannot simply raise our own standards or level the economic playing field among OECD nations. A global economy depends on a global network, and therefore, the OECD must continue to build varied, flexible partnerships in service of the standards we have worked to achieve. We have already seen how deeper engagement helps all of us to share lessons and best practices.

Chile formed an environmental protection agency as part of its accession talks. Russia is about to join the working group on bribery, and we hope that Russia will soon accede to the Anti-Bribery Convention. And we look forward to working closely with all working group members on robust enforcement of the convention.

The OECD is also deepening engagement with Brazil, China, India, Indonesia, and South Africa. And we welcome Brazil's contributions at the Export Credit Working Group, and South Africa's leadership on African public debt. We should continue and, in fact, we should deepen our outreach to emerging powers in the spirit of these shared lessons and mutually beneficial cooperation. We have the flexibility, both to reach out and raise standards at the same time.

As the OECD enhances its engagement with emerging economies, it must also continue its groundbreaking work to develop multidisciplinary guidelines for the treatment of state-owned and state-controlled enterprises.

Now, we recognize that countries will make different choices about how much of their economies to keep in the hands of government. Still, whether they are owned by shareholders or states, all companies should operate on a level playing field consistent with the principles of competitive neutrality. And these companies should be solely commercial, not political actors. Now, I'm well aware that this will not happen overnight. But the great lessons that we have learned from 50 years of incremental progress is that we can raise the standards of fair competition. And when we raise those standards, we help maintain them everywhere.

Half a century ago there was no guarantee that the world's great economies would coalesce around a common vision, but that is exactly what happened. And there were no guarantees that nations from Mexico to Chile to South Korea would grow into dynamic developed partners, but they have. The same values and vision needs to continue to guide us, and that's why the new vision for the future is so critical.

It is now my great pleasure to turn the floor over to the French Prime Minister, Francois Fillon.

## Public Commemoration of OECD's 50<sup>th</sup> Anniversary

Address by François Fillon, Prime Minister of France

Monsieur le Secrétaire général,

Mesdames et Messieurs,

C'est pour la France un très grand honneur d'accueillir l'OCDE à Paris depuis 50 ans et de prendre toute sa part de responsabilité au sein de cette institution. L'OCDE est née dans un monde encore marqué par la Seconde Guerre mondiale. Fonder la Paix et le progrès sur un développement économique harmonieux, tel était et tel reste son objectif.

Le texte de la convention signée en décembre 1960 posait comme principe que « la puissance et la prospérité de l'économie sont essentielles pour atteindre le but des Nations Unies, sauvegarder les libertés individuelles et accroître le bien-être général ». Il établissait aussi le devoir pour les nations les plus avancées d'aider les pays en voie de développement.

Et bien ces idéaux n'ont rien perdu de leur valeur, car plus la mondialisation s'accélère, plus nous devons trouver les moyens de créer les conditions d'un progrès partagé si nous ne voulons pas voir s'accroître les tensions entre les nations, entre les économies et les cultures.

En quelques décennies, l'Histoire a connu des bouleversements fulgurants. Des bouleversements qui ont rebattu les cartes politiques et économiques. Les pays de l'ancien espace soviétique se sont ouverts à l'économie de marché. Sur tous les continents, nous avons vu émerger de nouvelles puissances. Et plus récemment, une très grave crise a montré l'urgence de rétablir l'économie mondiale sur de nouvelles bases.

Je veux dire que ces enjeux, l'OCDE, monsieur le Secrétaire général, en a pris toute la mesure. L'OCDE qui incluait à ses commencements 20 nations en compte aujourd'hui 34.

La France soutient cette politique d'ouverture qui a montré d'ailleurs toute sa pertinence lors de la crise financière de 2008.

Cette crise, nous n'avons en effet pu y faire face qu'en associant étroitement et sur un pied d'égalité, les nouvelles puissances économiques émergentes. Cette logique de coopération nous pensons qu'il faut l'amplifier.

Et en ce moment même, il y a, madame CLINTON vient à l'instant de les mentionner, des rapprochements qui sont prometteurs.

La Russie va adhérer officiellement à la Convention anti-corruption, convention à laquelle l'Afrique du Sud et le Brésil sont déjà parties prenantes. Notre objectif est maintenant d'examiner un calendrier d'engagement avec la Chine, avec l'Inde, avec l'Indonésie, avant l'été.

Plusieurs pays non-membres de l'OCDE sont déjà signataires des principes de responsabilité édictés en 1976 par votre organisation à l'intention des multinationales. Il était nécessaire d'actualiser ces principes, et je me réjouis que cela soit le cas aujourd'hui.

En matière de transparence et d'échange de renseignements dans les problématiques fiscales, les avancées sont aussi significatives. Et le Forum mondial consacré à ces sujets, qui a été mis en place dans le cadre de l'OCDE, compte aujourd'hui 96 membres. C'est un excellent exemple d'association de pays émergents. Tous ces thèmes sont au cœur de l'action du G20 auquel l'OCDE apporte une contribution dont je veux, au nom de la France, la remercier.



François Fillon,  
Prime Minister of France



## Public Commemoration of OECD's 50th Anniversary

*Address by François Fillon, Prime Minister of France*

Les normes élaborées par l'OCDE constituent un socle fondamental pour les relations économiques internationales, loyales et équitables. Il faut les renforcer et inviter les nouvelles puissances économiques à s'en rapprocher toujours plus.

L'OCDE définit des standards élevés, mais les grands enjeux de notre temps appellent aussi son expertise. Il y a la question de la sécurité alimentaire et la lutte contre la volatilité des prix des matières premières. Nous avons connu en 2008 des émeutes de la faim de 2008. Ces émeutes de la faim constituent une alerte qui ne doit en aucun cas être sous-estimée. Il y a les questions énergétiques et le respect des engagements que nous avons pris pour répondre au changement climatique. Il y a le renouvellement de nos critères de mesure pour la croissance et le progrès humain.

La Commission Stieglitz-Sen-Fitoussi a réalisé un travail très important dont nous attendons encore beaucoup. La capacité d'analyse de l'OCDE lui garantit un rôle de premier plan pour les années à venir. Demain, sous la Présidence de Madame Clinton, votre organisation traitera des nouveaux paradigmes du développement. Il n'y a plus de modèle unique de développement. Il y a un nouveau monde qui est en train de se dessiner sous nos yeux. Un monde qui bouscule les positions acquises et les certitudes anciennes. Il faut en mesurer les risques, mais il faut surtout en saisir les chances.

La chance d'une prospérité globale, au lieu d'un affaiblissement réciproque des nations à travers leur rivalité.

La chance d'une progression des valeurs démocratiques, avec l'élévation générale du savoir et du niveau de vie. Et de ce point de vue, ce qui s'est passé en Tunisie, en Égypte, démontre que la liberté n'est pas le privilège de quelques nations. C'est une aspiration universelle.

La chance d'une gouvernance mondiale réformée. Un système mieux régulé, un système multipolaire qui place la finance au service de l'économie et du développement et non pas l'inverse. C'est le message que porte la France au G.20.

Le Fonds Monétaire International y a son rôle à jouer et je ne vous étonnerai pas en vous disant que pour nous, la candidature de Christine LAGARDE n'est pas seulement une candidature française, européenne, c'est une candidature de qualité, d'efficacité, d'équilibre entre performance économique et la solidarité.

Mesdames et messieurs, aucune nation ne sortirait gagnante d'une logique d'égoïsme ou d'affrontement. L'avenir est au rapprochement. L'avenir est à la coopération, à la solidarité.

Une croissance mondiale durable nécessite des normes exigeantes. Des normes exigeantes qui soient acceptées et partagées par tous. Et en la matière, l'OCDE détient une fonction essentielle que je suis heureux en ce 50<sup>ème</sup> anniversaire, de saluer avec vous.

Permettez-moi pour conclure, un clin d'œil à l'OCDE et à l'économie française, puisque ce matin même, l'OCDE a annoncé une révision à la hausse de ses prévisions économiques pour la France. C'est une bonne nouvelle pour mon pays et pour les Français. A 2,2 % de croissance pour 2011, les prévisions de l'OCDE sont supérieures à celles que faisait mon Gouvernement.



L'OCDE confirme également que nos objectifs de réduction de déficits seront tenus cette année et l'année prochaine, voire dépassés en 2011.

Et elle prévoit enfin que les récentes réformes du marché du travail – je cite son rapport – et des retraites tendront à accroître le taux d'activité et finalement, l'emploi.

Et bien monsieur le Secrétaire général, mesdames et messieurs, ces bonnes nouvelles ne font que renforcer mon plaisir à célébrer avec vous, le 50<sup>ème</sup> anniversaire de l'OCDE.







## Public Commemoration of OECD's 50<sup>th</sup> Anniversary

*Address by Naoto Kan, Prime Minister of Japan*

Madam Chair, Secretary of State Clinton,  
Prime Minister Fillon,  
President Barroso,  
Secretary-General Gurría,  
Excellencies, Ladies and Gentlemen,

I would like to begin by expressing my heartfelt congratulations on this occasion of celebrating the OECD's 50th anniversary.

I am very pleased to be able to visit this organisation of such venerable traditions, as the first Prime Minister of Japan to do so.

Madam Chair,

Japan is one of the countries that has benefited most from the Marshall Plan, which led to the OECD, and it joined the OECD in 1964, three years after the establishment of the Organisation, as the first country in this group outside of Europe and North America. For Japan at that time, liberalisation in external economic relations consistent with the OECD's Codes of Liberalisation was a major challenge, or a major obstacle to overcome, but promoting this important issue opened the way for high levels of growth.

A half century after the establishment of the OECD, we are facing a variety of new challenges. These include a shift in the structure of international society, such as the rise of emerging economies; global issues like climate change; as well as the ageing of society.

I believe that it is in addressing these new challenges that the expertise the OECD has accumulated over half a century demonstrates its full strength.

I welcome that in recent years the OECD has reinforced its contribution to the G20. I hope that more non-Members, including emerging economies, will strengthen their relationship with the Organisation and that they will make the best use of the analyses, policy advice, good practices and standards of the OECD, recognising their usefulness. On the part of Japan, we will draw on our own experience and be happy to highlight the usefulness of the Organisation to these countries.

Madam Chair, Excellencies, Ladies and Gentlemen,

At the World Economic Forum held in Davos at the end of January, I spoke of the importance of inter-personal bonds, or "Kizuna" in Japanese. At that time, I had not imagined that I would come to appreciate the bonds (kizuna) so deeply just one month later.

As you all know, Japan was hit by an unprecedented earthquake on March 11th. We have received warm encouragement and strong support from so many countries, international organisations, non-governmental organisations and others. Moreover, President Sarkozy, Secretary Clinton, and Secretary-General Gurría visited Japan soon after the earthquake and issued strong messages. Even little children in various corners of the globe have donated to us out of their scarce spending money. On behalf of the Japanese people, I would like to express, from the bottom of my heart, our sincerest gratitude for all the support.



*Naoto Kan,  
Prime Minister of Japan*



We, the Japanese people, will never forget the strong expression of the bonds (kizuna) and very warm solidarity extended by countless people all over the world at this most difficult time. In order to reciprocate the bonds (kizuna) extended to us, we will pursue a reconstruction open to international society, and we will continue our international contributions, as we have done, for the prosperity and development of the world.

Madam Chair, Excellencies, ladies and gentlemen, I state this with firm conviction that the rebirth of the Japanese economy has already been forcefully set in motion.

Economic activities in the affected regions have moved rapidly toward recovery, and more than 60 percent of the production bases, such as in the electronics industry, are already operating again and the remaining 30 percent or so are expected to recover by the summer. It is expected that the reconstruction demand will drive the economy towards recovery from the second half of this year. Tokyo and other regions central to the Japanese economy have been fully functioning. Almost all the sightseeing spots in Japan are safe to visit.

Madam Chair,

The accidents at the nuclear power plants following the Great East Japan Earthquake have caused great concerns for many countries. I would like to take this opportunity to once again express my apologies. We have received assistance through various forms of technology, information, and human resources from many nations. I would also like to take this opportunity to express my sincere gratitude once again.

The situation is steadily stabilising. We are mobilising all available resources in order to bring the situation under control at the earliest possible time.

I believe that it is a historic responsibility of Japan, as the country that has caused the accidents, to carefully analyse and examine them, learn many lessons on nuclear safety which are new to humankind, and share those lessons with the rest of the world and with future generations.

Madam Chair,

Japan will now review its basic energy plan from its basis and is set to address new challenges.

We must nurture the two new pillars of renewable energy and energy-efficiency, in addition to the two pillars to date of nuclear power and fossil fuels. For this purpose, Japan will take on four challenges, mobilising all of the nation's resources.

The first challenge is the safety of nuclear energy. Drawing on the lessons from the nuclear accidents, we will achieve the highest standard of nuclear safety. To this end, we have established the Nuclear Incident Investigation and Verification Committee. We must examine not only the technical aspects, but comprehensively review such aspects as human resources, organisations, institutions, as well as the safety culture.

The second is the environmental challenge of fossil fuels. Promoting the thorough efficient use of fossil fuels and minimising the emission of carbon dioxide (CO<sub>2</sub>) to the limit by drawing on the most advanced technologies is a challenge with great significance for us.

  


## Public Commemoration of OECD's 50<sup>th</sup> Anniversary

*Address by Naoto Kan, Prime Minister of Japan*

The third challenge concerns the practical use of renewable energy. We will mobilise all our resources to break the barrier to practical use due to such aspects as technology and costs, and we will elevate renewable energy to one of society's core energy sources. We will engage in drastic technological innovation in order to increase the share of renewable energy in total electric power supply to at least go beyond 20 percent by the earliest possible in the 2020s. As a first step for this purpose, we aim to lower the cost of solar power generation to one third of its current level by 2020 and to one sixth by 2030. Moreover, we aim to equip solar panels on all the roofs of 10 million houses capable of doing so.

The fourth challenge is on the potential of energy efficiency. We are the world's front runner in terms of industrial energy efficiency. The next test is to achieve energy efficiency without compromising the comfort of life in households and communities. We must engage in a societal innovation in the sense that it creates a new culture of energy consumption.

This transformation will become a very important theme, because regardless of what energy policy we will adopt, we must ask ourselves the question whether it is appropriate for society to increase energy consumption without any limits.

In Japan there is an old dictum, "Learn to be contented". What this dictum teaches us is not to endlessly increase our own desire, but to learn where an appropriate level is.

As the whole of humankind is facing global environmental challenges and various conflicts arise due to energy issues today, I wonder if this is indeed the question that we, who live on this earth, are now confronted with.

Madam Chair,

Looking back at the past 50 years and thinking ahead to the next 50, and considering the expected role of the OECD in this horizon, I believe it is important for the Organisation to strengthen its role in providing economic analyses and policy advice so that it can continue to be a body counted upon as the largest "action-oriented" think tank in the world.

Secretary-General Gurría visited Japan just one month after the earthquake and provided concrete proposals to help Japan's reconstruction. This is indeed an example of the type of OECD action we can count on.

The earthquake of March 11th destroyed many villages and towns. However, it could not destroy the heart of the Japanese people. The people in Japan are now united at heart behind the reconstruction. I shall turn this energy of the Japanese people into the power to transform the country and the power to achieve the rebirth of Japan.

In tackling these tasks to achieve the "Rebirth of Japan" and to address new global challenges, Japan is committed to continuing to work together with the OECD.

Thank you.

## Public Commemoration of OECD's 50th Anniversary

Address by José Manuel Barroso, President of the European Commission

Madame la Secrétaire d'Etat [Clinton],  
Messieurs les Premiers Ministres [Fillon; Kan],  
Monsieur le Secrétaire général [Gurría],  
Mesdames et Messieurs,

Nous sommes ici aujourd'hui pour commémorer le remarquable travail accompli par l'OCDE au cours cinquante dernières années, et je voudrais remercier le Secrétaire général Gurría de nous accueillir à l'occasion de cet événement.

Je voudrais aussi remercier la France en tant que pays hôte, représentée par le Premier Ministre François Fillon, pour son engagement en faveur des objectifs et des valeurs de cette organisation, que l'Union Européenne partage elle aussi pleinement.

Les origines de l'OCDE se trouvent dans l'Europe de l'après-guerre, où son précurseur a été chargé de distribuer l'aide du Plan Marshall.

Il convient de rappeler la contribution des Etats-Unis, ici représentés par la Secrétaire d'Etat Hillary Clinton, qui ont su montrer leur solidarité avec l'Europe et qui ont aussi eu l'intelligence stratégique de promouvoir le développement économique sur les deux rives de l'Atlantique.

Depuis ses débuts, l'OCDE s'est tenue au carrefour du développement économique, de la justice sociale et des réformes démocratiques, qui sont inextricablement liés.

Ladies and gentlemen,

It is precisely because of the links between democracy and social and economic development that today my first message concerns Europe's relationship with our immediate neighbourhood. We are not living in isolation and there is no progress in isolation: our future is closely linked to the future of our closest neighbours.

The need to promote development and political reforms in our neighbouring countries has perhaps never been so tangible during the last half century than in the aftermath of the recent upheavals in the Arab world. It is against this historic backdrop that we must stand side by side with those who aspire to a greater future of political freedom and social justice.

In short, we must show our support through actions, not just words.

The promotion of open trade, democracy and development is core to the OECD's values. It is also the guiding principle of the European Union's new response to our changing neighbourhood.

Our relationship with the 16 countries that lie to the East and the South of the European Union has never been more crucial. A new approach is needed, a 'more for more' approach.

That means engaging more and rewarding those partners who are ready to implement more far-reaching political and economic reforms.

The EU is already by far the biggest donor and investor in its neighbourhood. We have committed 5.7 billion euros in grants for the next two years to push forward this agenda. This week the Commission has announced it will top this up with another 1.24 billion euros.



José Manuel Barroso,  
President of the European  
Commission



## Public Commemoration of OECD's 50th Anniversary

*Address by José Manuel Barroso, President of the European Commission*

But aid alone is not the answer. Facilitating trade and investment will boost growth and jobs in our neighbour countries.

Promoting well managed mobility and people-to-people contacts is crucial to continuing the transformational agenda that the young men and young women in these countries have started.

This is what is expected from us. Not to impose models but to be ready to assist.

Ladies and Gentlemen,

Over the last 50 years, the OECD has carved out a place for itself at the core of global architecture, through its expertise, its inclusive approach and its relentless desire to build global ties and to define action-oriented solutions. It is not only a remarkable reservoir of expertise and of economic and social information, but also a unique forum for sharing experiences and developing shared policies. In particular, the quality of the OECD's work comes from its interdisciplinary approach.

Moreover, the OECD has gained worldwide respect for demonstrating the value of multilateralism, even in the framework of the global crisis.

The presence of so many eminent personalities here today from across the globe is testament to its leadership, and to the high regard it continues to command.

But the OECD also has a great significance for the European Union. Both have grown in parallel, and the richness of our collaboration continues to bear fruit.

In turn to its unique expertise, the European Union provides the OECD with an unrivalled perspective and model of international governance.

We are happy to work hand in hand on areas that are key to our economic growth agenda as set out in the Europe 2020 Strategy, in particular innovation, climate change and green growth.

And I also recognize the very good cooperation which we have on international governance and G20 matters.

Today we are all faced with unprecedented challenges, and as Prime Minister Kan has reminded us, these challenges can be both unexpected and of overwhelming dimensions.

As set out in its vision statement, the OECD will continue to play a crucial role in promoting a stronger and fairer global economy. For economic growth is not the end game, it is a better quality of life for all our citizens.

Ladies and gentlemen,

In today's world, when a major event strikes in one country or in one part of the world, its resonance is immediately amplified across the global stage.

We need no other justification to assert that global challenges require global solutions. The European Union and OECD will continue to work together, and to play a pivotal role in defining these solutions.

## Signing and Adoption Ceremonies



*Invitation to the Russian Federation  
to become a full participant in the Working Group on Bribery.*

*(Left /Right) Hillary Clinton, US Secretary of State; Angel Gurría, Secretary-General of the OECD shaking hands with Andrey Ivanovich Denisov, First Deputy Minister of Foreign Affairs of the Russian Federation; Elvira Nabiullina, Minister of the Russian Federation and Timur Eyvazov, Ministry of Foreign Affairs of the Russian Federation.*

Photo: OECD/Benjamin Renout



*Adoption of the Update of the MNE Guidelines and Recommendation on the Due Diligence Guidance.*

*(Left/Right) Joris Oldenziel Programme Manager OECD Watch; Richard Trumka, President of TUAC and of the AFL-CIO, United States; Angel Gurría, Secretary-General of the OECD; Hillary Clinton, US Secretary of State and Charles P. Heeter, Chairman BIAC.*

*Photo: OECD/Hérve Cortinat*



*Centre of African Public Debt Management and Bond Markets.*

*(Left/Right) Hillary Clinton, US Secretary of State; Angel Gurría, Secretary-General of the OECD, Pravin Gordhan, Minister of Finance of South Africa and HE Dolana Msimang, Ambassador of South Africa to France. OECD Headquarters, Paris.*

*Photo: OECD/Benjamin Renout*





## Main Outcomes of the 50<sup>th</sup> Anniversary Ministerial Council Meeting

### The Vision Statement

The Vision Statement, endorsed by all OECD Members as well as the Russian Federation, highlights the Organisation's traditional role as a forum for policy development and dialogue and looks ahead to its future contribution as a global policy network.

### The Green Growth Strategy

Ministers welcomed the Green Growth Strategy, which emphasises the need to go beyond conventional conceptions of growth, describes the major components of a greener growth path, discusses benefits and weaknesses of different instruments and shows the need for an actionable policy framework.

### A New Framework for Development

Ministers endorsed a Framework setting out the key elements of an OECD Strategy for Development. The strategy will be further developed and delivered in 2012.

### The Gender Initiative

Ministers welcomed the "Report on the OECD Gender Initiative – Gender Equality in Education, Employment, and Entrepreneurship". The final outputs of the Gender Initiative will be delivered in 2012.

### The Skills Strategy

Ministers welcomed the report "Towards an OECD Skills Strategy". The aim of the Strategy is to facilitate a cross-government approach and peer-learning on effective skills policies, and to address the global dimensions of the supply and demand for skills. The Strategy will be delivered in 2012 and followed by annual skills outlooks starting from 2013 onwards.

### The Economic Outlook

This year's Economic Outlook highlighted that uneven recovery is underway with unemployment and fiscal policy challenges in the advanced economies whereas inflationary pressures, high food and commodity prices and equality issues are a major concern in emerging economies. The Outlook focuses on inclusive growth with a special chapter on return to work.



### **Adoption of the Update of the Guidelines for Multinational Enterprises (MNE Guidelines) and Recommendation on Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas**

Ministers from the 34 Members adopted the Update of the MNE Guidelines and the Recommendation on Due Diligence, with eight partner countries adhering to the updated MNE Guidelines (Argentina, Brazil, Egypt, Latvia, Lithuania, Morocco, Peru and Romania) and seven to the Recommendation.

### **Invitation to the Russian Federation to become a full participant in the Working Group on Bribery**

Through an exchange of letters between the OECD and Russia, Russia became a full participant in the Working Group on Bribery, a prerequisite for accession to the Anti-Bribery Convention and an important step for Russia towards membership in the OECD.

### **Establishment of a Centre for African Public Debt Management and Bond Markets**

The OECD and South Africa signed a Memorandum of Understanding establishing the Centre for African Public Debt Management and Bond Markets in South Africa.



Photo: OECD/Victor Tonelli