



TRADE UNION ADVISORY COMMITTEE
TO THE ORGANISATION FOR ECONOMIC
COOPERATION AND DEVELOPMENT
COMMISSION SYNDICALE CONSULTATIVE
AUPRÈS DE L'ORGANISATION DE COOPÉRATION
ET DE DÉVELOPPEMENT ÉCONOMIQUES

**CONCLUSIONS OF THE MEETING
OF THE OECD COUNCIL AT MINISTERIAL LEVEL
Paris, 25-26 June 2009**

**EVALUATION
By the TUAC Secretariat**

1. TUAC had called on OECD Ministers, meeting as the world economy is trapped in the worst economic crisis of our times, to tackle the deepening jobs crisis, introduce a coordinated and jobs-orientated international recovery plan, and to undertake a paradigm shift and develop a new model of sustainable economic growth for the future.
2. The Conclusions of the Ministerial Council start off by recognising the role played by years of unbalanced global growth, together with major failures in the financial sector, in creating the global crisis (§4). Importantly, in line with the OECD Economic Outlook, the Ministers state their commitment to continuing their “collective supportive actions” to ensure recovery. (§5)
3. On jobs, they identify the need for the recovery plans “to serve people and address the social and human dimensions of the crisis through support for the most vulnerable, including active labour market policies, skills development, income support, effective social safety nets, pensions...”. Additionally, they underline the need to counter “the risk that job losses lead to a rise in long-term unemployment” and to focus specifically on “the needs of youth and older workers”. Ministers state their commitment to “augmenting labour supply in the long run” and, importantly, “note the recent approval of the ILO Global Jobs Pact”. (§6)
4. This positive short-term response, however, fails to develop into anything resembling a re-think of the prevailing economic model, or a change in direction. On the contrary – the medium-term policy response looks disappointingly like ‘business as usual’. Most worrying, is the commitment to address public budget deficits through “structural reforms that enhance the flexibility and productivity of our economies such as in product and labour markets”. (§9)
5. On development, the Conclusions reaffirm existing commitments on aid targets, policy coherence and development financing, welcoming the Action Plan agreed at the May 2009 DAC High Level Meeting, for responding to the global economic crisis¹. Overall, however, the shortfalls, especially for Africa, are likely to remain significant. (§10)
6. The Declaration on Green Growth, which accompanies the Ministerial Conclusions – and which was only supported by OECD countries – invites the OECD to develop a Green Growth Strategy. The only reference to green jobs is the call for “close co-ordination of green

¹ DAC HIGH LEVEL MEETING ACTION PLAN; <http://www.oecd.org/dataoecd/5/49/42867232.pdf>

growth measures with labour market and human capital formation policies” and recognition that these measures support the development of green jobs and the requisite skills. There is no commitment to the creation of quality green jobs, or to sustainably transforming resource intensive sectors. (§11)

7. Under the title ‘Keeping Markets Open’, Ministers agree to resist protectionism and urge the OECD, in cooperation with the WTO, to promote effective aid for trade for developing countries. They also underline the importance of concluding the Doha Development Agenda negotiations. As partners of the Freedom of Investment Project they restate their fundamental aim of encouraging the free flow of inward and outward investment. Whilst the following section on ‘Propriety, Integrity and Transparency’ addresses the need for responsible business conduct, the lack of reference to sustainability and social standards within the OECD’s work on Freedom of Investment is a matter of concern. (§12)

8. On market integrity, Ministers welcome the OECD’s work on the Lecce Framework and the Global Charter. They also request the OECD to “strengthen its work on corporate governance and financial literacy”. TUAC has long called for the OECD to fundamentally change its approach to corporate governance – to adopt an evidence and stake-holder-based approach and link its corporate governance work to the OECD Guidelines for Multinational Enterprises. TUAC considers the emphasis on “financial literacy” to be misplaced, given the greater importance of work on fair risk-sharing in pensions and consumer credit. Importantly, the Declaration “welcomes further consultation” on the updating of the OECD Guidelines for Multinational Enterprises so as to “increase their relevance and clarify private sector responsibilities”. This signals that a review of the Guidelines in 2010 is likely to go ahead. However, the focus fails to specifically address TUAC’s core concern, which is the unequal and poor functioning of the National Contact Points (NCPs). (§15)

9. On foreign bribery, Ministers reaffirm their commitments made under Article 5 of the OECD Anti-bribery Convention – that investigations into international bribery should not be stopped for reasons of economic or national interest. This is an attempt to galvanise political will, following the halting of the bribery investigation into BAE Systems in the UK. (§16)

10. On tax, Ministers welcome the endorsement of principles on exchange of information and the establishment of a peer review process. TUAC, along with many NGOs, has criticised the OECD for focusing on exchange of information ‘on-demand’, instead of pushing forward with automatic information exchange. The Declaration omits reference to important work on the relationship between tax and financial stability and tax and inequality, both of which would have merited strong support. (§17)