

International co-operation is more important than ever

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Rarely in our lifetime has international co-operation been as important for the world as it is today. Global growth, though recovering slowly, is stumbling along at just over 3%. The scars of the crisis run long and deep, with rising inequality, fragile job markets and waning trust fuelling protectionism and populist backlashes in some OECD countries. Social and environmental problems, as well as several conflicts, add to the list of challenges we face. Can they be solved if there is division among us?

We confront a new, difficult political reality, characterised by strong opposition to the very international co-operation and interaction that has driven peace and prosperity for over half a century. We must break this cycle! We must begin by

acknowledging that many people in many places, including in some of the OECD's founding countries, feel let down and angry. They have not seen their incomes rise in decades, but have seen inequality rising instead. The richest 10% of the population in the OECD now earn around 10 times more than the poorest 10%, and gulfs have opened between thriving cities and old industrial heartlands, reflecting a growing concentration of wealth and market power in fewer hands.

Many people lacked the means and skills to adapt to an open, competitive economy. But many skilled middle-class people also suffered, as firms closed or moved away, public services were cut and homes lost value. They hope that pulling up the draw bridge will help, but it will lead only to isolation and a downward spiral.

Nevertheless, the backlash holds a fundamental lesson: that a thriving, inclusive global economy cannot be forged without placing people, their regions and their homes at the centre of our policy efforts. This means going both local and global: "going local" to bolster infrastructure, public services and social cohesion to improve people's lives, but also to better understand the realities, challenges and expectations that people face in their daily lives; and "going global" through enhanced international co-operation so that our countries can share ideas and policies, and play by the same rules as they tap the world's enormous potential.

Making the global economy work for everyone will be the focus of our OECD Week on 6-8 June, encompassing both our annual Ministerial Council Meeting (MCM) and OECD Forum, as well as several side events and meetings. At the OECD, we are leading the charge by reaching beyond GDP to develop new models under our Inclusive Growth and New Approaches to Economic Challenges (NAEC) initiatives to put people's well-being at the centre of our policies. We are studying the interconnections between rising inequality and slowing productivity, to show how our countries and regions can expand by reducing inequality, investing in skills and fostering an environment in which small and large firms can flourish.

We are examining the effects of technological change, particularly digitalisation, which will be fundamental for progress, as it revolutionises health, education, transport and communications, and opens new opportunities for people everywhere. This also implies acknowledging and understanding how digitalisation also brings disruption: OECD data shows that nearly 10% of jobs are at high risk from automation and another 25% could require major retooling. To address this, we are helping countries identify policies that can equip people and places with the skills and infrastructure they need to thrive in the global digital world.

We are also doubling our efforts to foster the openness of our economies while making trade and investment fairer, by devising more progressive, inclusive, coherent and integrated policy packages to help markets work for everyone. Instead of the lure of barriers that only cut people off from each other, we are

advancing a full range of structural policies that help balance social protection with flexible, empowering labour markets; drive investments into education, innovation and physical infrastructure throughout our lands; reduce the market concentration of wealth; and foster responsible business conduct and public sector integrity.

The OECD will continue to underpin international co-operation with rules and standards that are ever stronger, fairer and more inclusive. This involves supporting better international regulatory co-operation between international organisations, as well as leveraging our instruments and policy recommendations through key fora like the G7 and G20. It includes leading the international tax agenda and making it more trustworthy for tax-payers, thanks notably to tackling corruption, to robust tax transparency standards and the Base Erosion Profit Shifting project, which most of the world’s countries now adhere to. This work is also contributing to levelling the playing field in international markets. Crucially, it demonstrates that international co-operation, not protectionism, is the way forward. And we are also committed to ensuring the adequate implementation of international agreements struck in 2015, particularly the 2030 Agenda for Sustainable Development and the Paris Climate Agreement, which are key for delivering a better world for everyone, regardless of their income, address, gender, creed or colour.

On 6-8 June, our member and partner countries will gather for OECD Week as testimony to their belief in international co-operation. Together we will mark the 70th anniversary of the Marshall Plan, which helped heal war-torn Europe and inspire the future OECD. President John F Kennedy, whose world vision helped give direction to our fledgling organisation, declared in 1961 that “united there is little we cannot do.” Kennedy’s 100th birthday would be on 29 May.

Let these anniversaries remind us how far we have come together, and that only together can we deliver better policies for better lives.

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