



***MAKING GLOBALISATION WORK FOR ALL:
POLICY RESPONSES AND THE ROLE OF
MULTILATERALISM***

OECD

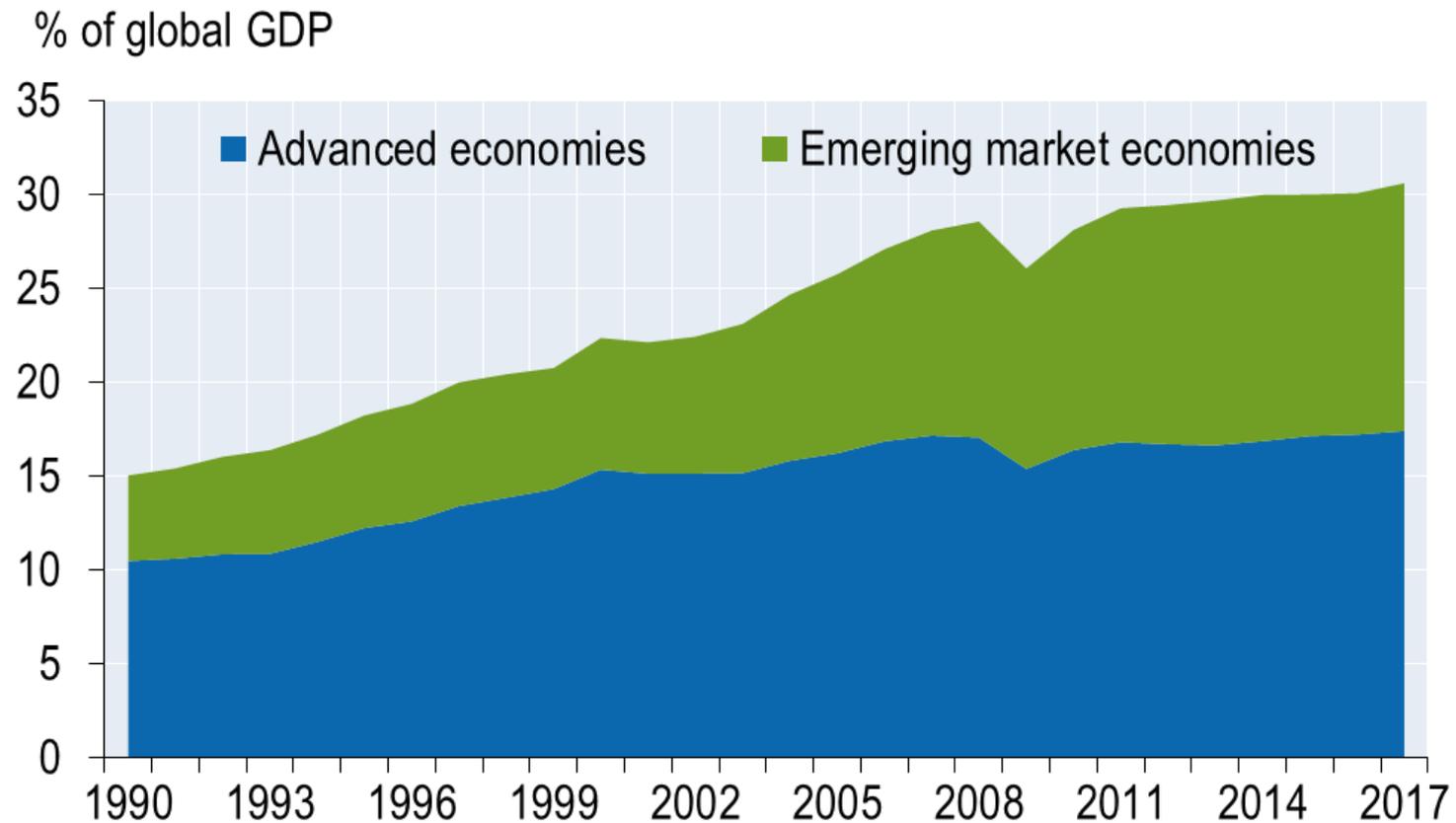
**MEETING OF FEDERAL CHANCELLOR DR. ANGELA MERKEL
WITH THE HEADS OF INTERNATIONAL ORGANISATIONS**

11 JUNE 2018, BERLIN



Trade interdependence has increased

Global export and imports

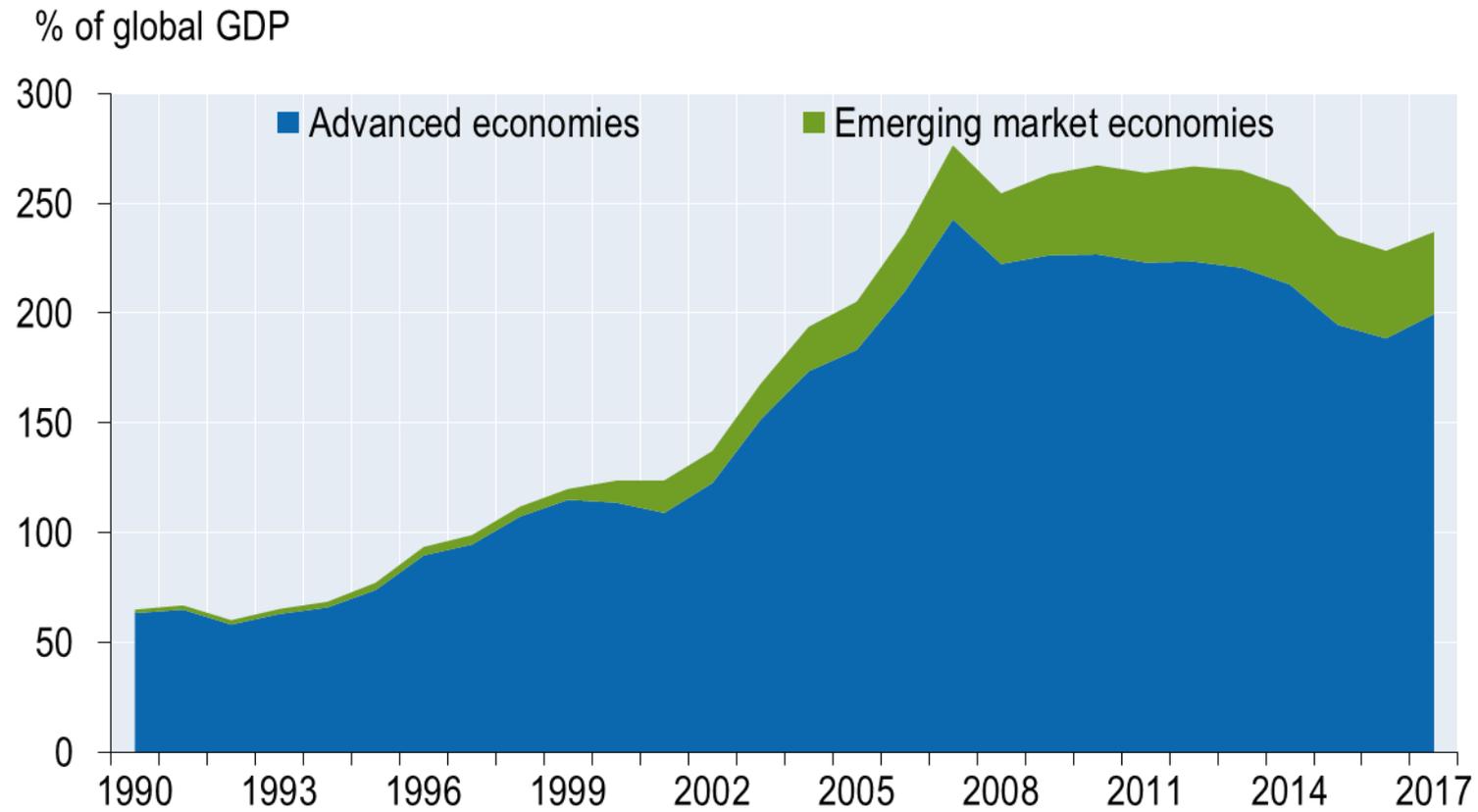


Source: OECD (2018), OECD Economic Outlook, Volume 2018 Issue 1.



Financial integration is significantly deeper

International financial assets and liabilities



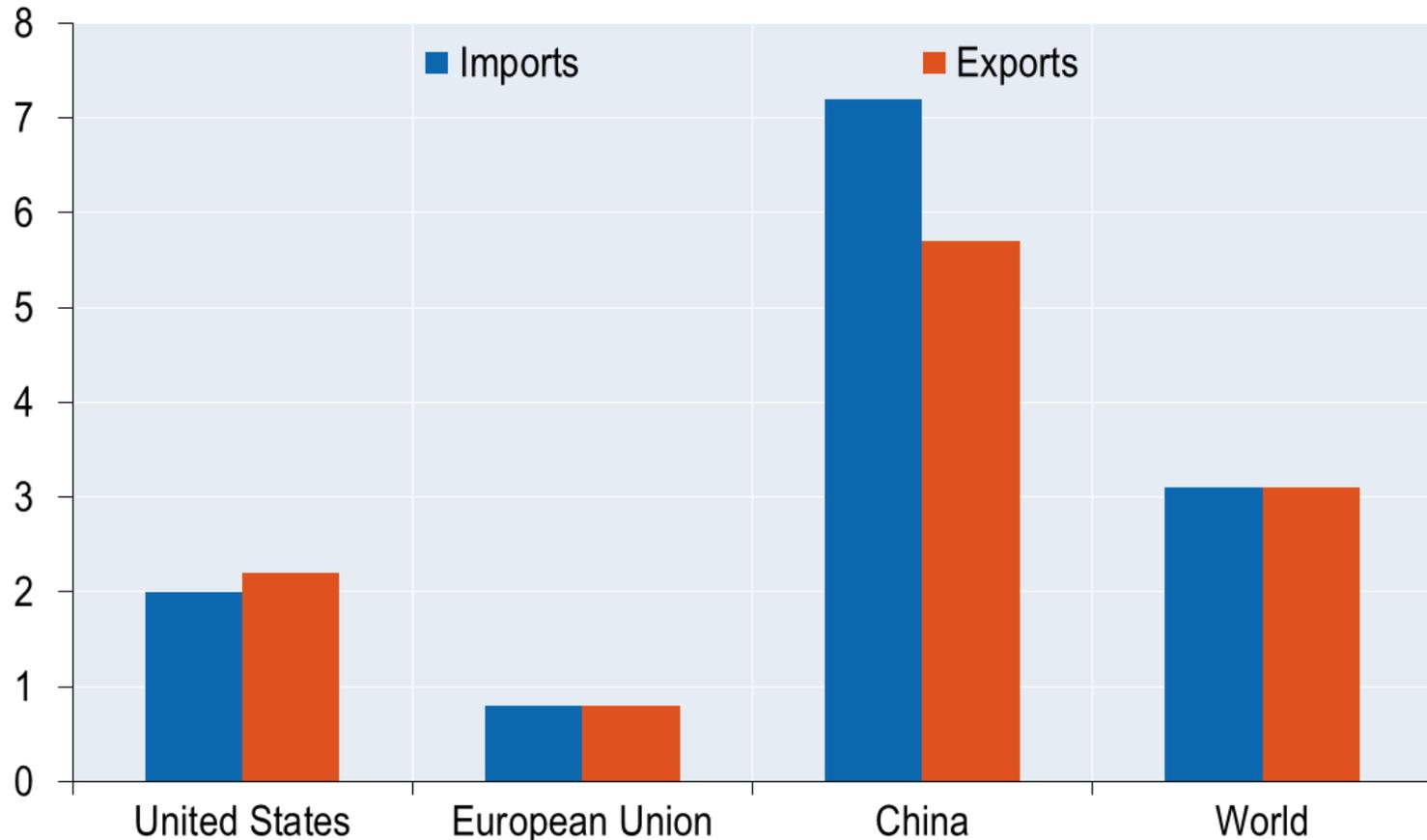
Source: OECD (2018), OECD Economic Outlook, Volume 2018 Issue 1.



Further multilateral tariff cuts would bring global benefits

Percentage difference from baseline for imports and exports

Effects of a reduction in tariff levels in the G20 economies to the lowest level applied across them for each sector

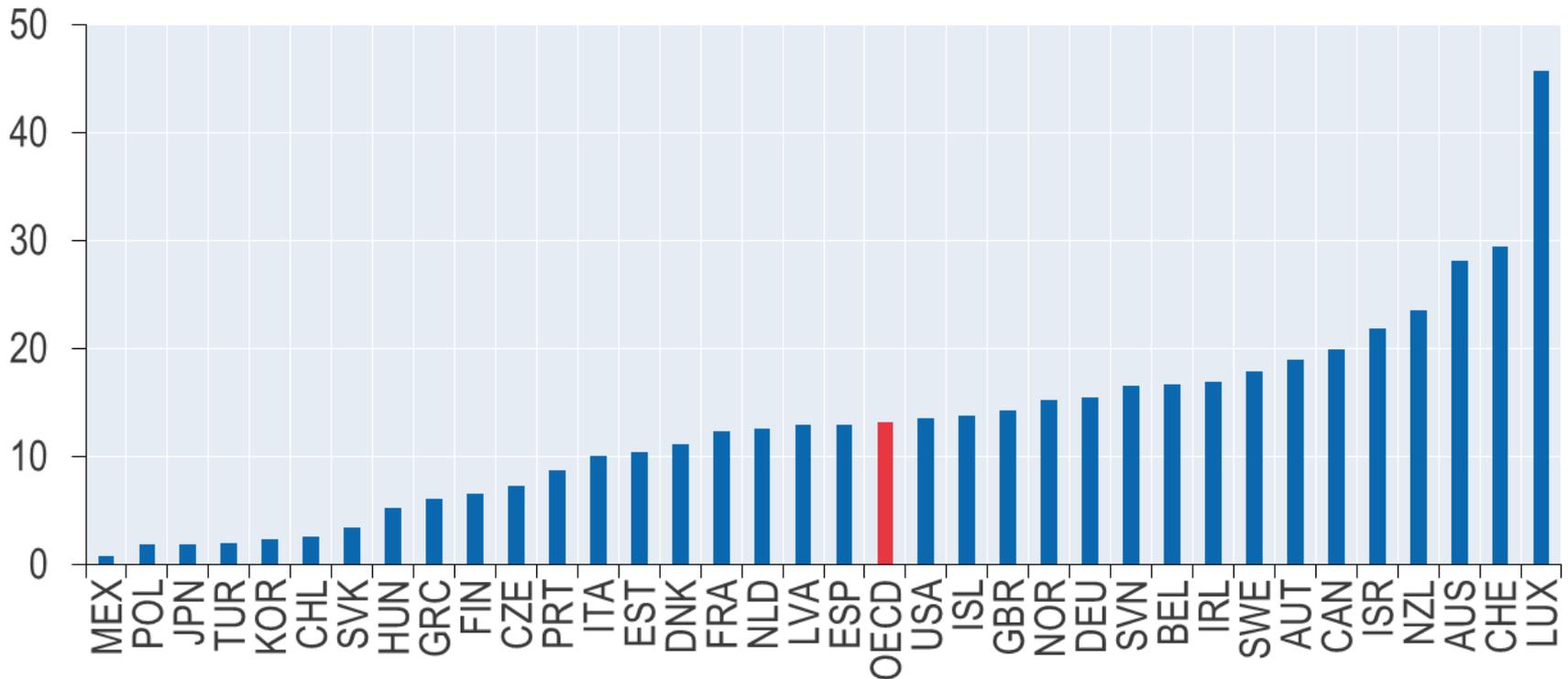


Source: OECD (2018), OECD Economic Outlook, Volume 2018 Issue 1.



Migration is an important facet of globalisation

Foreign-born as a % of total population, 2017

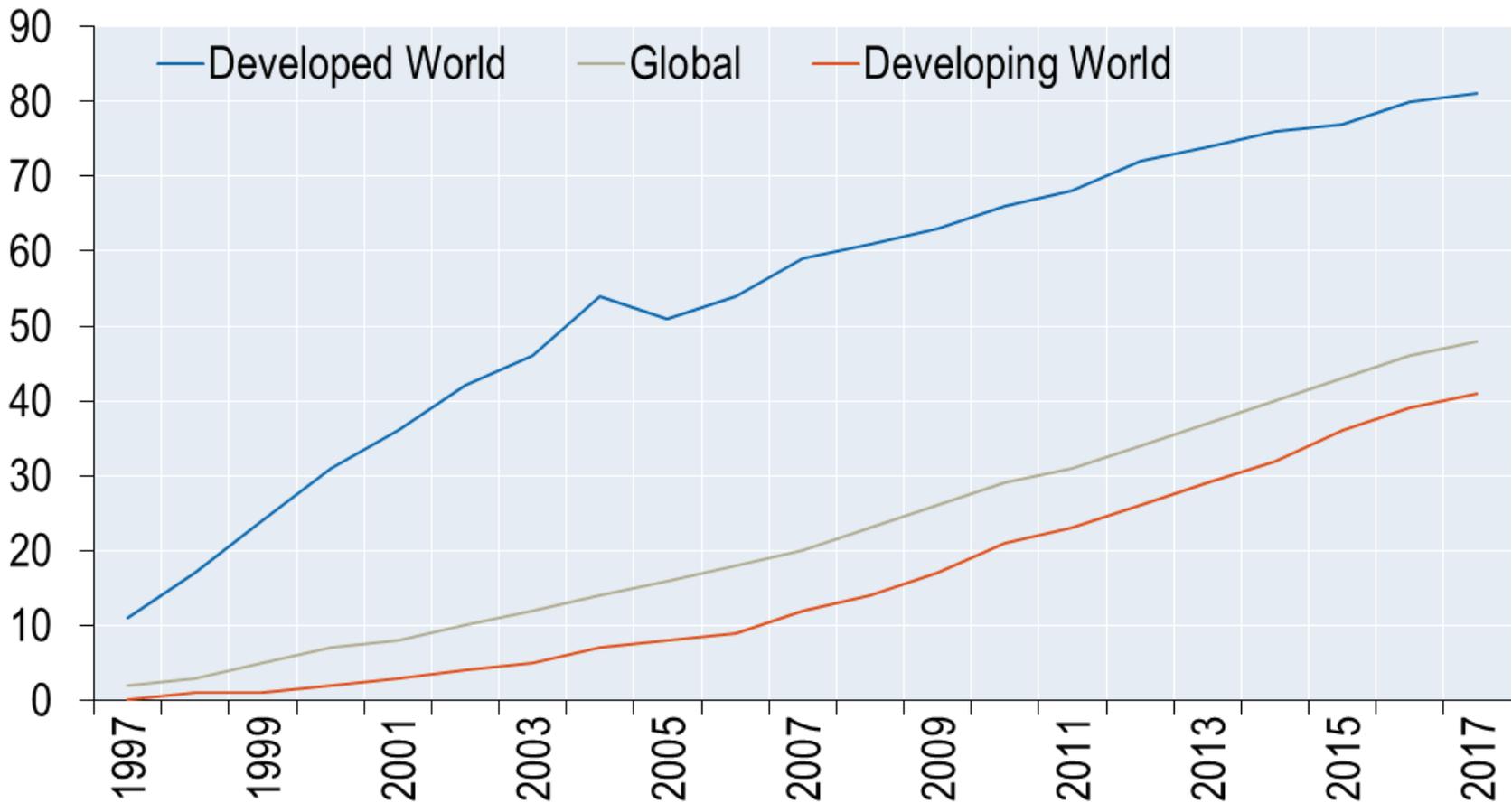


Source: OECD (2018), OECD International Migration Database.



Pace of global technology diffusion is unprecedented

Internet users per 100 inhabitants

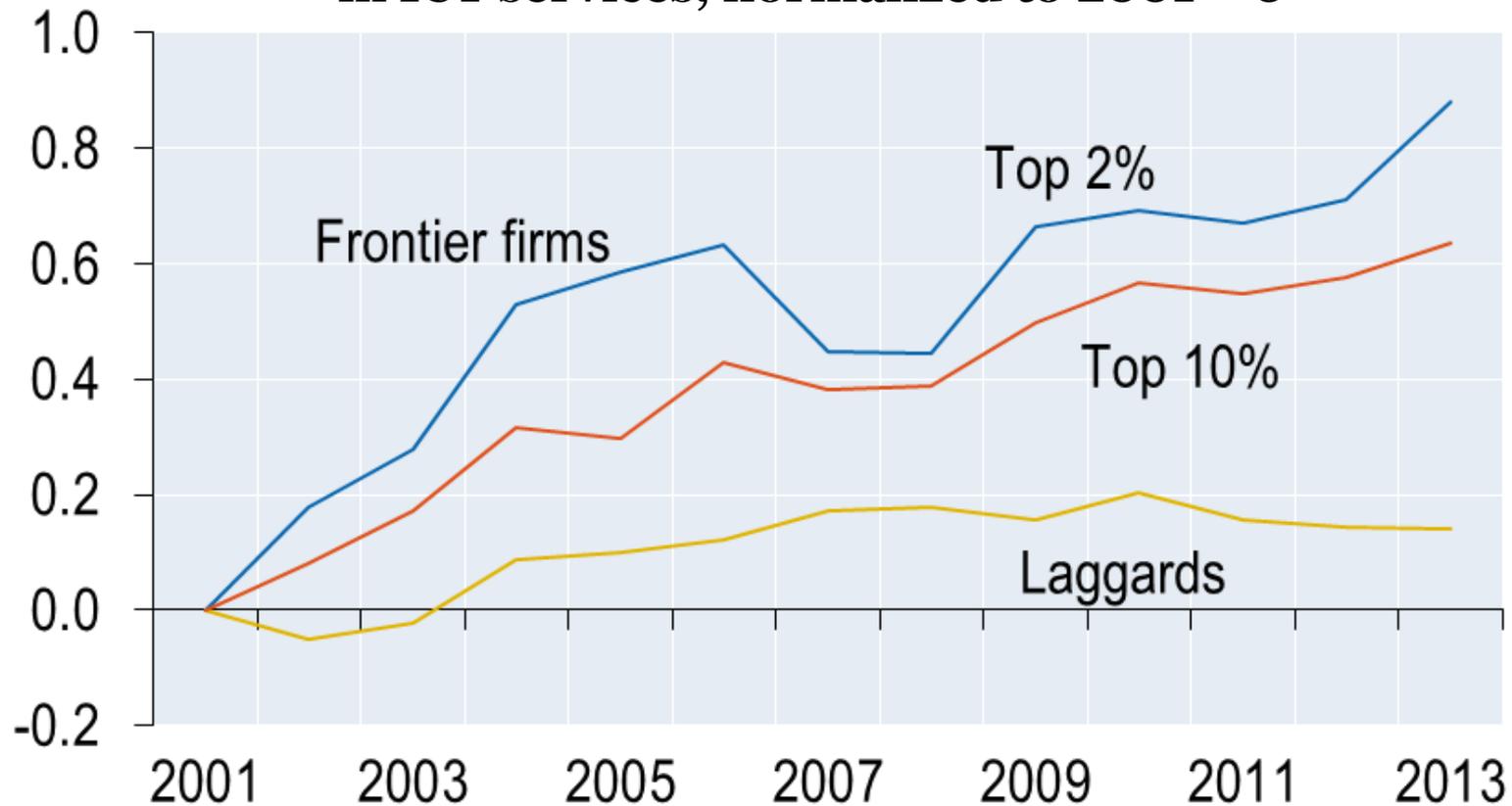


Source: International Telecommunications Union.



Yet technology diffusion does not happen equally across firms, which requires well-governed markets

Multifactor Productivity level (in logs) of Frontier and Laggard Firms in ICT services, normalized to 2001 = 0



Source: Andrews, D., C. Criscuolo, and P. N. Gal(2016), "The Best versus the Rest: The Global Productivity Slowdown, Divergence across Firms and the Role of PublicPolicy" OECD Productivity Working Papers 5, OECD Publishing, Paris.

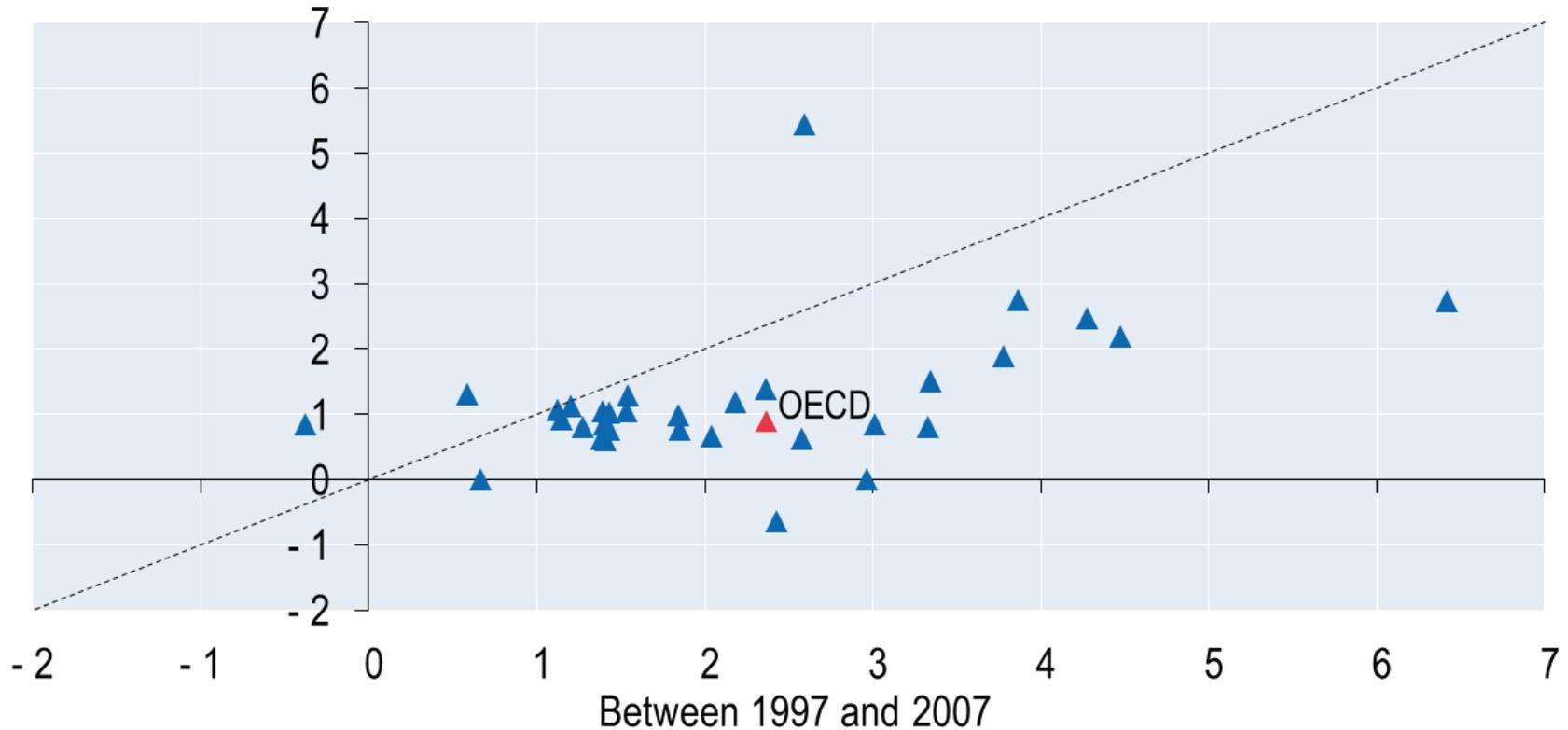


And labour productivity growth has slowed down

Average annual percentage change

Between 2010 and 2017

Between 2010 and 2017

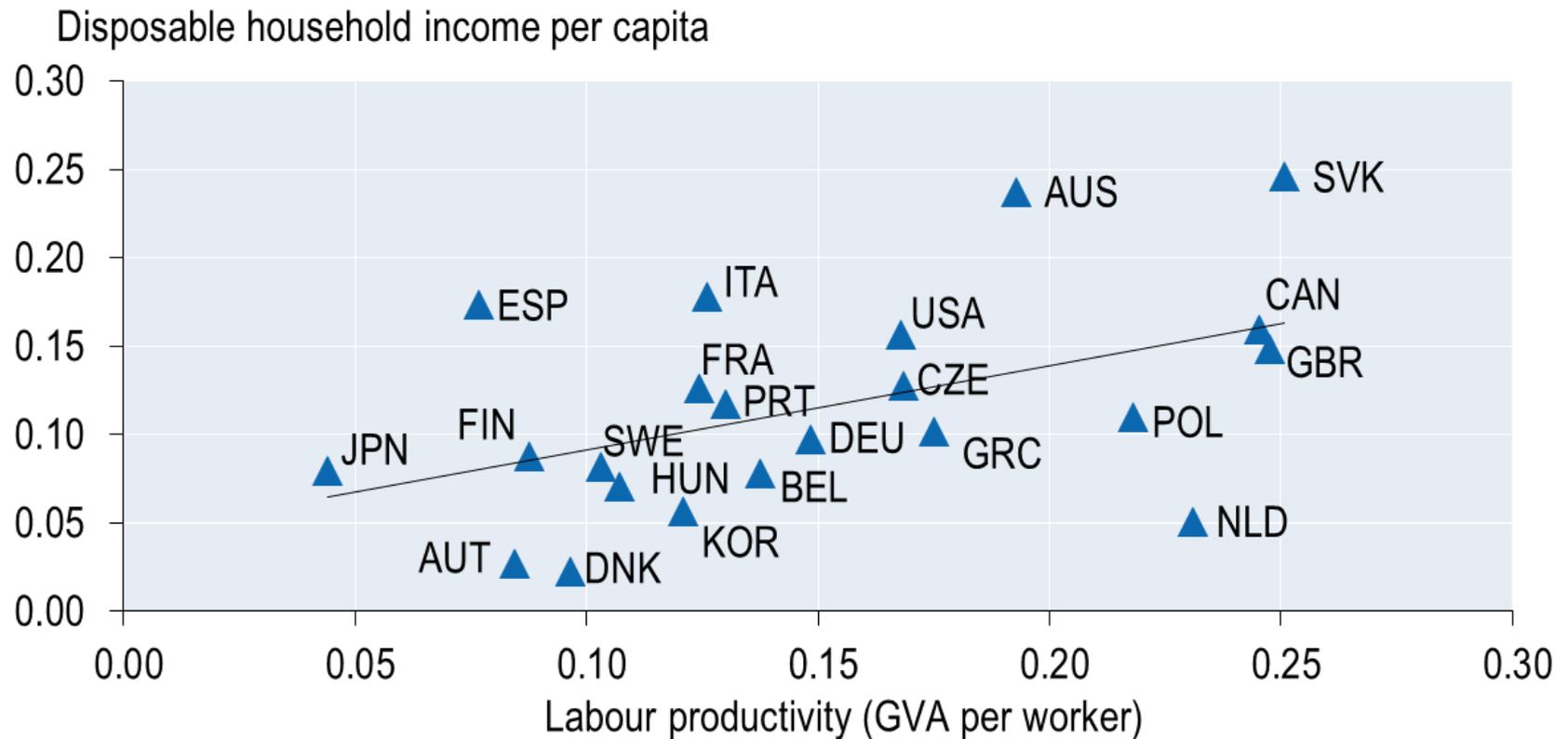


Source: OECD (2018), OECD Economic Outlook: Statistics and Projections (database)



Lowering regional productivity dispersion would narrow differences in regional incomes

Coefficient of variation (standard deviation / mean) across regions, 2014 or latest available

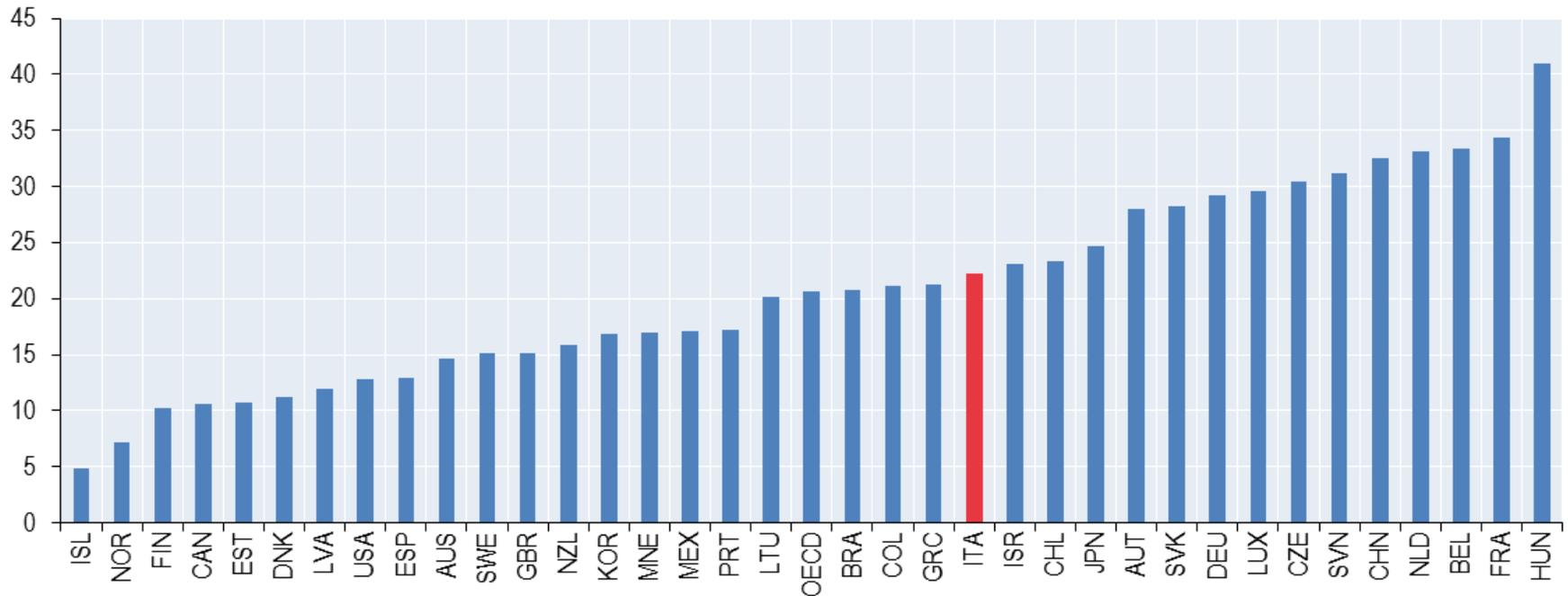


Source: OECD (2017), "Regional Economy", OECD Regional Statistics database.



Socio-economic status is an important driver of education performance

Percentage of variation in PISA performance explained by students' and schools' socio-economic status, average of four subjects

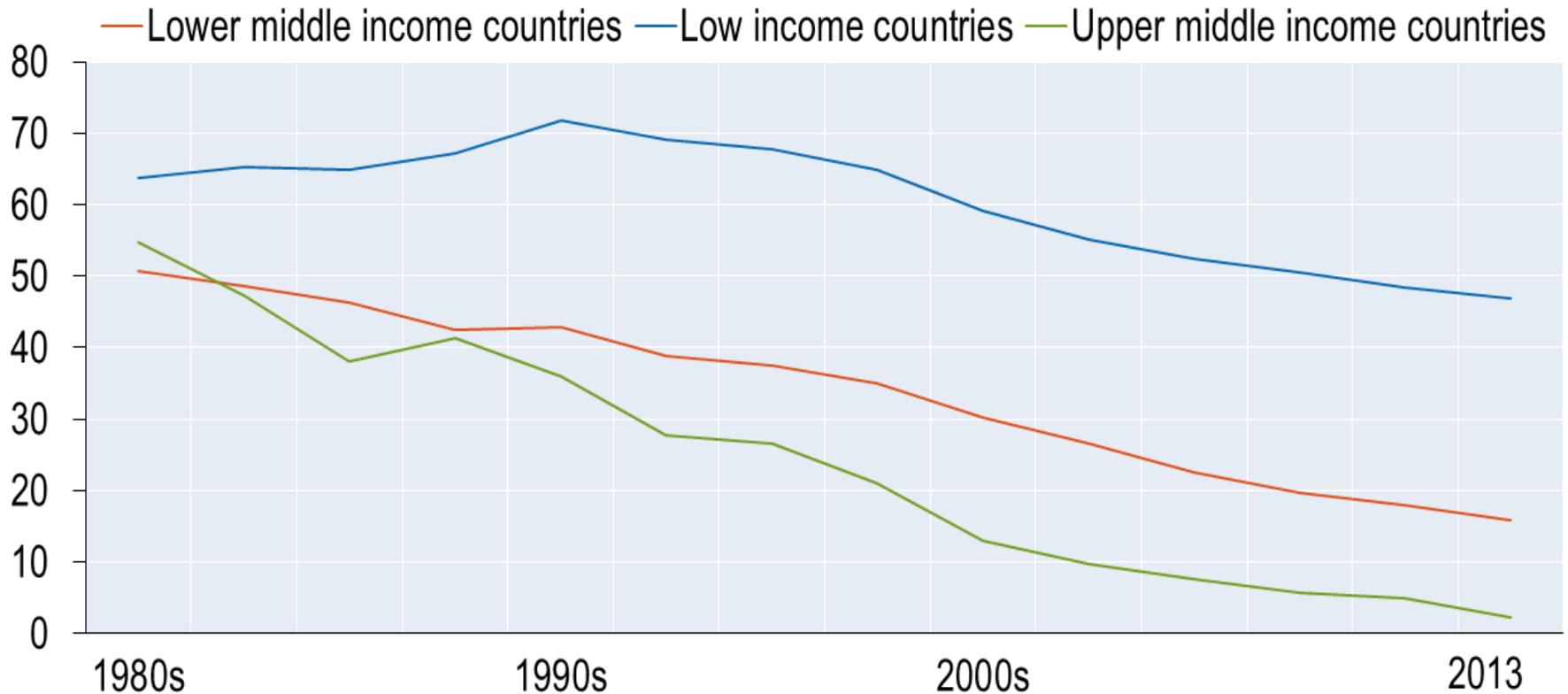


Source: OECD (2017), PISA 2015 Results (Volume V): Collaborative Problem Solving, PISA, OECD Publishing, Paris.



Globalisation has coincided with a large fall in extreme poverty around the World

% of the population living on less than USD 1.90 a day (2011 PPP)

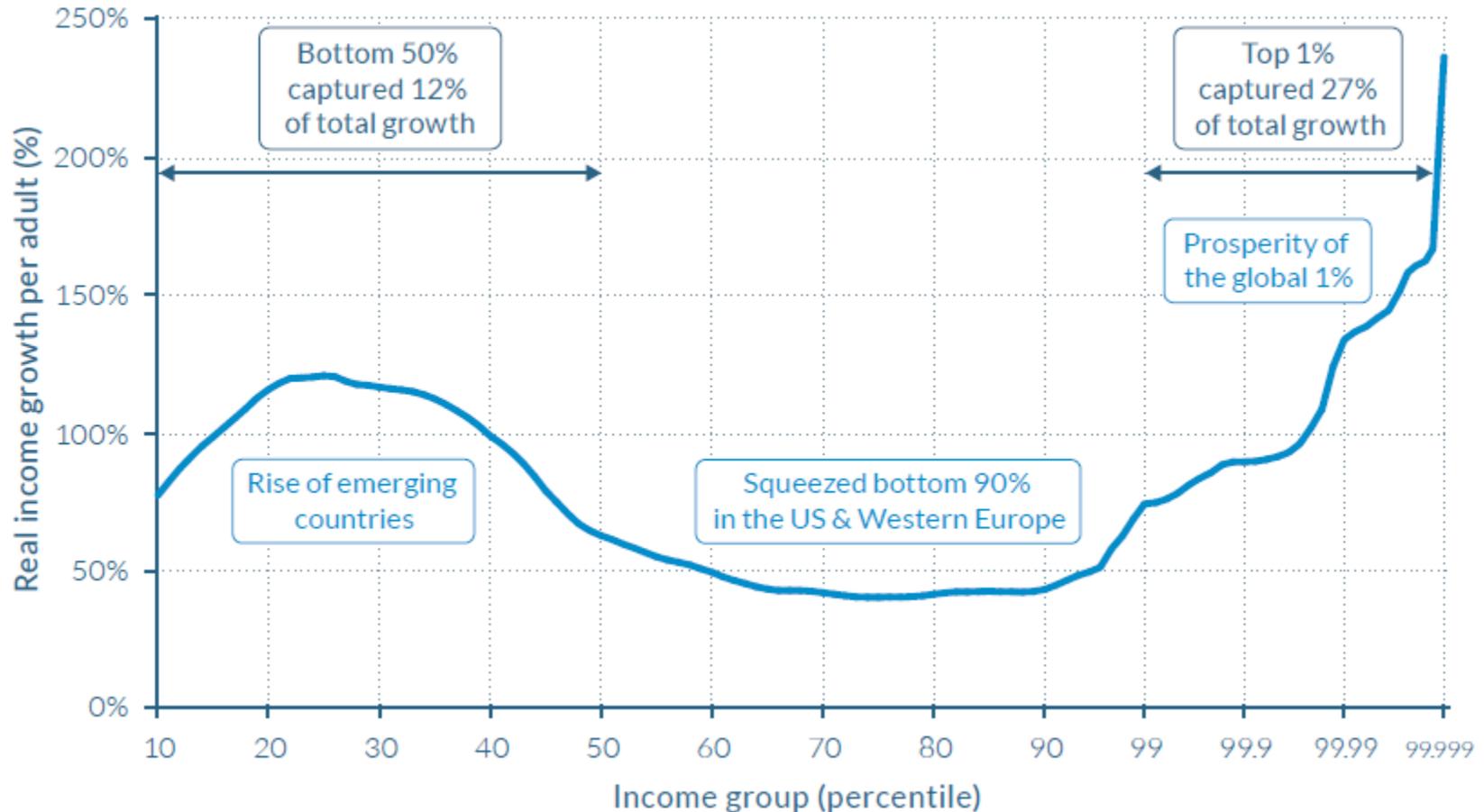


Source: World Bank (2018), Poverty and Equity Database.



While income inequality has risen, especially at the top

Global inequality and cumulative real income growth, 1980–2016



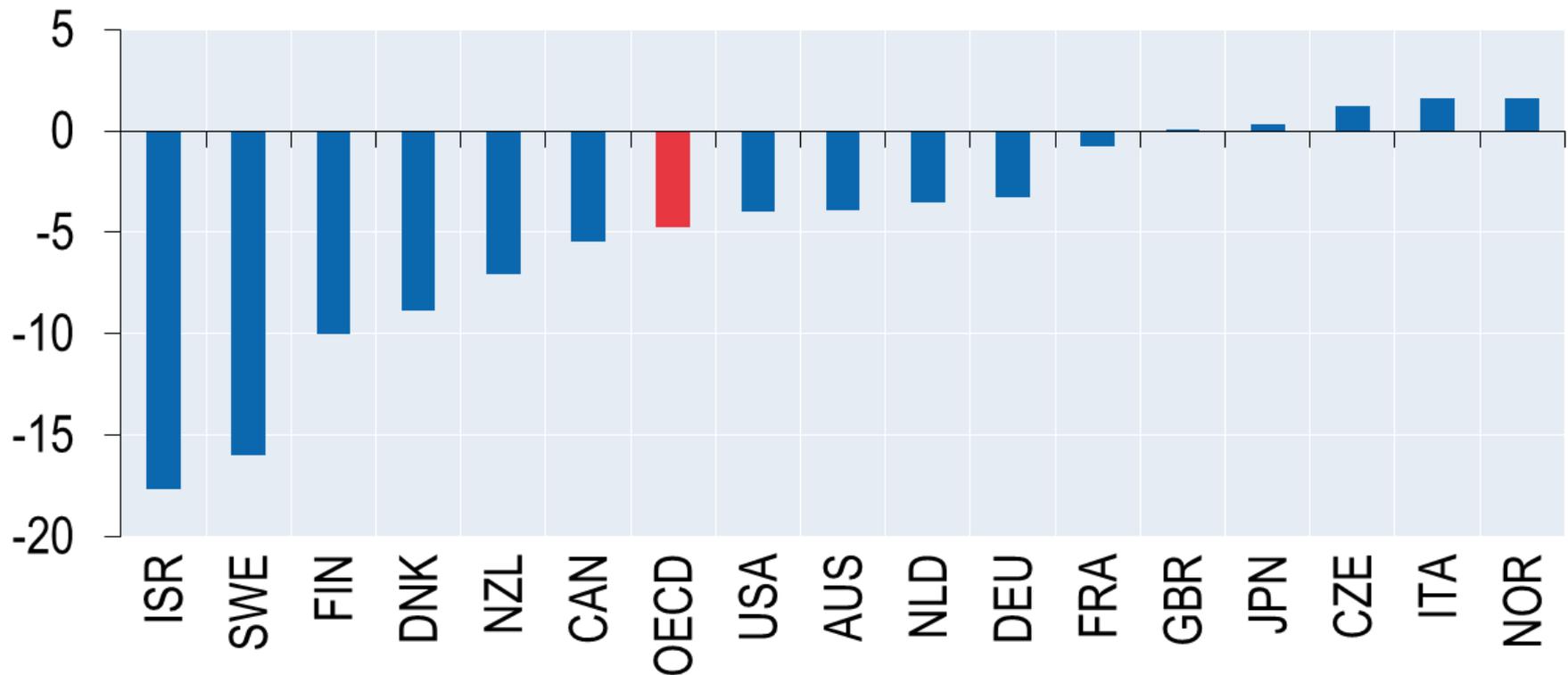
Source: World Inequality Report, 2018.



Taxes and transfers systems have become less progressive

Change in redistribution for the working-age population, mid-1990s to 2014 or latest available

Percentage points

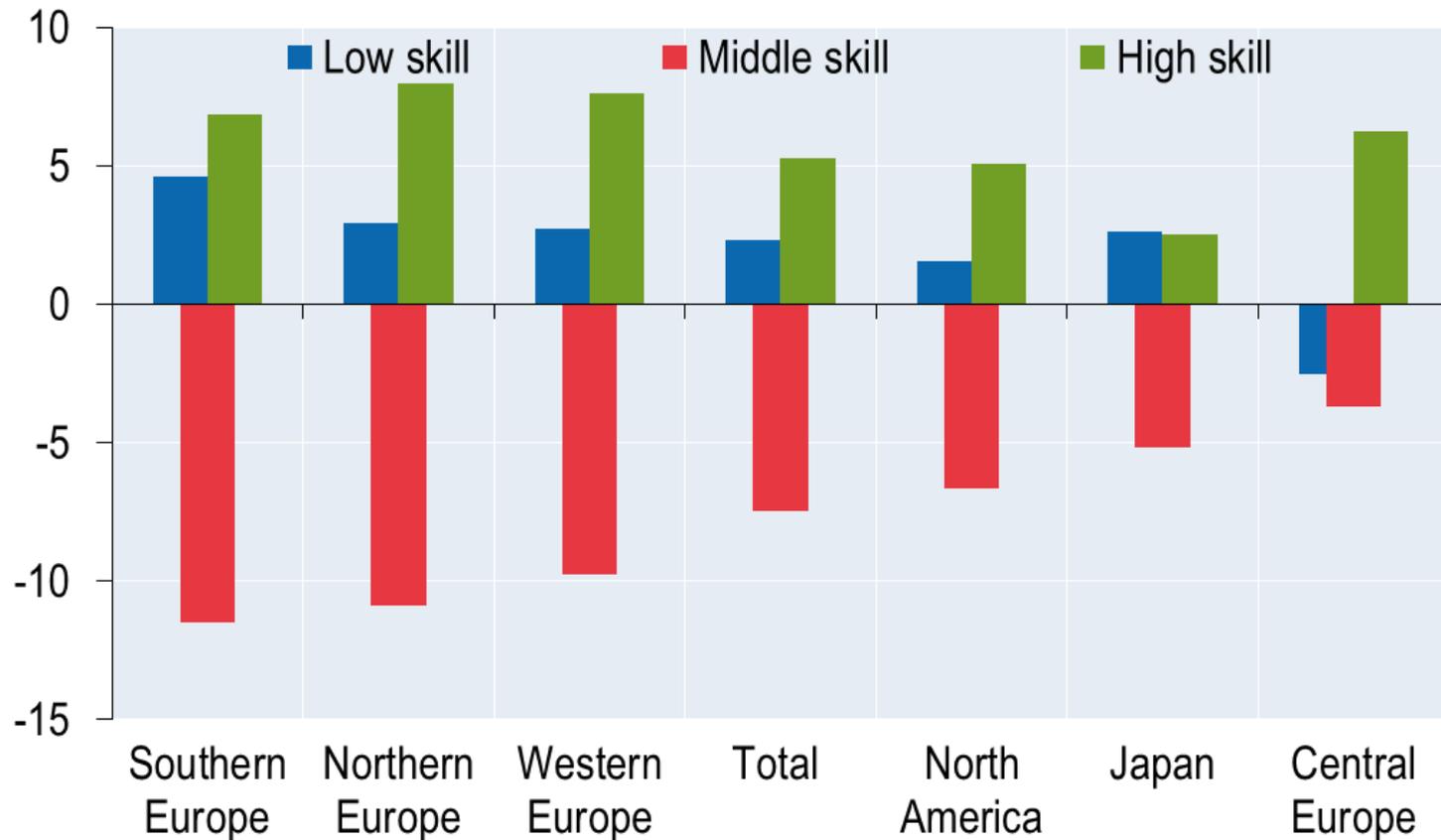


Source: Causa, O. and M. Hermansen (2017), "Income redistribution through taxes and transfers across OECD countries", OECD Economics Department Working Papers, No. 1453, OECD Publishing, Paris.



Ensuring the right skills is key to adapt to labour market transformation

Percentage point change in share of total employment, 1995 - 2015

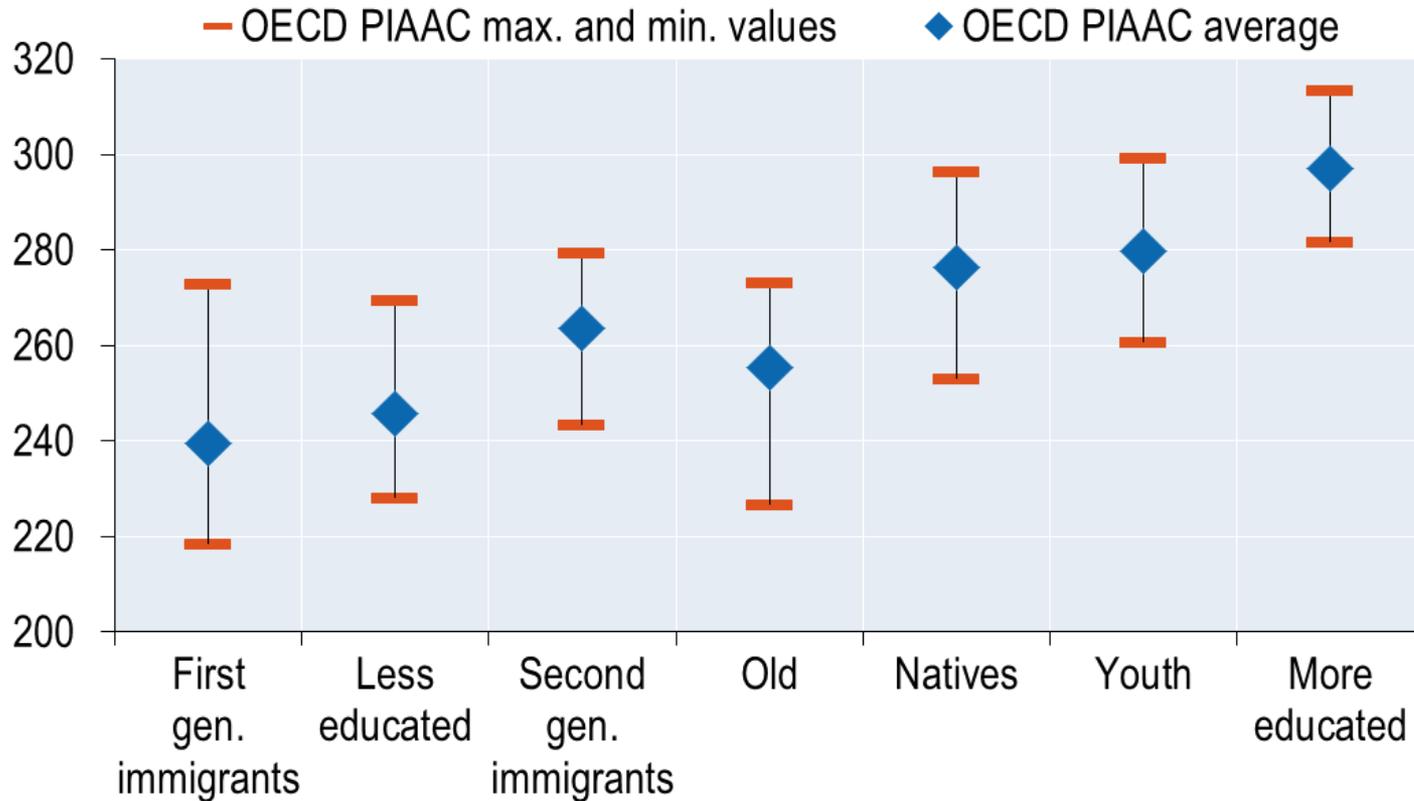


Source: OECD (2017), OECD Employment Outlook 2017.



Lifelong learning should focus on immigrants, less educated and older workers

Literacy score-point by socio-demographic groups, OECD Survey of Adult Skills (PIAAC)



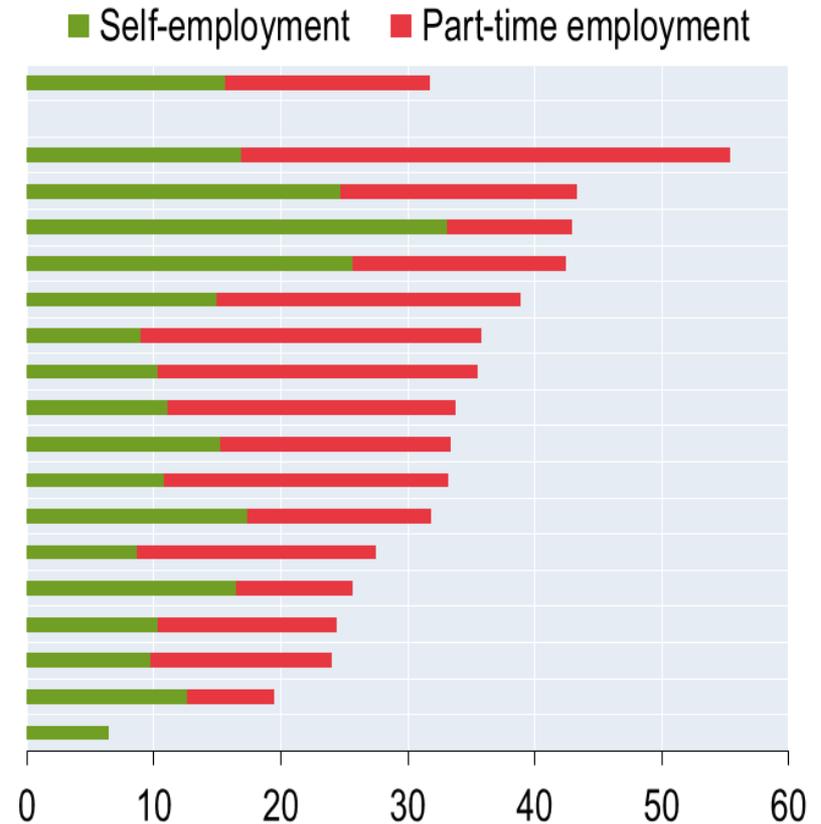
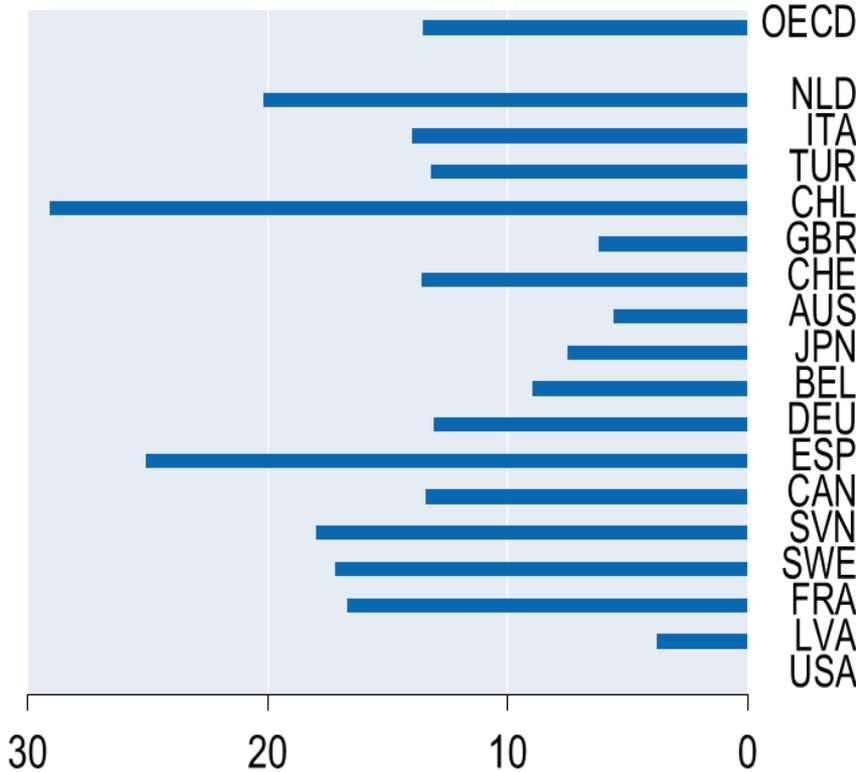
Source: OECD (2013), OECD Skills Outlook 2013: First Results from the Survey of Adult Skills.



Non-standard forms of employment provide flexibility but could also challenge job quality

Temporary employment, as a % of dependent employees, 2015

Self- and part-time employment, as a % of all workers, 2015

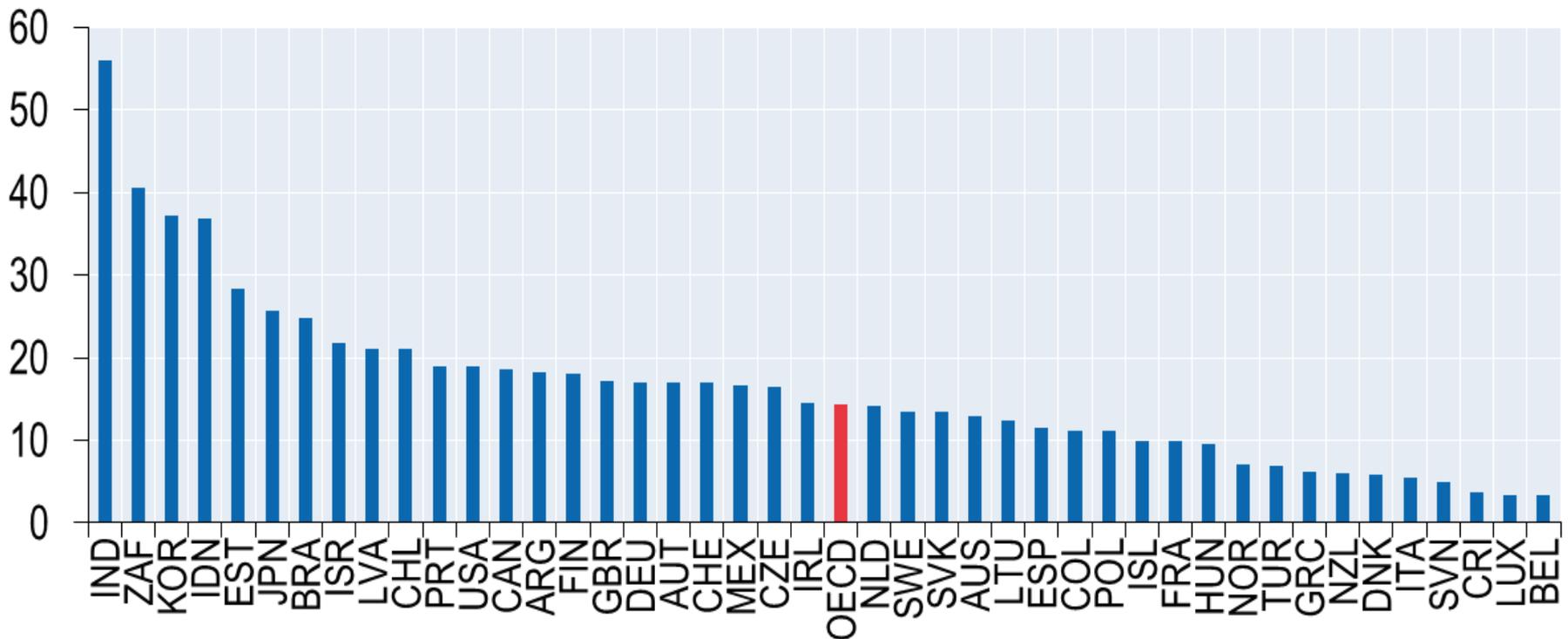


Source: OECD (2018), Framework for Policy Action on Inclusive Growth.



Gender pay gaps should be addressed more decisively

Gender gap in median monthly earnings, 2015 or latest

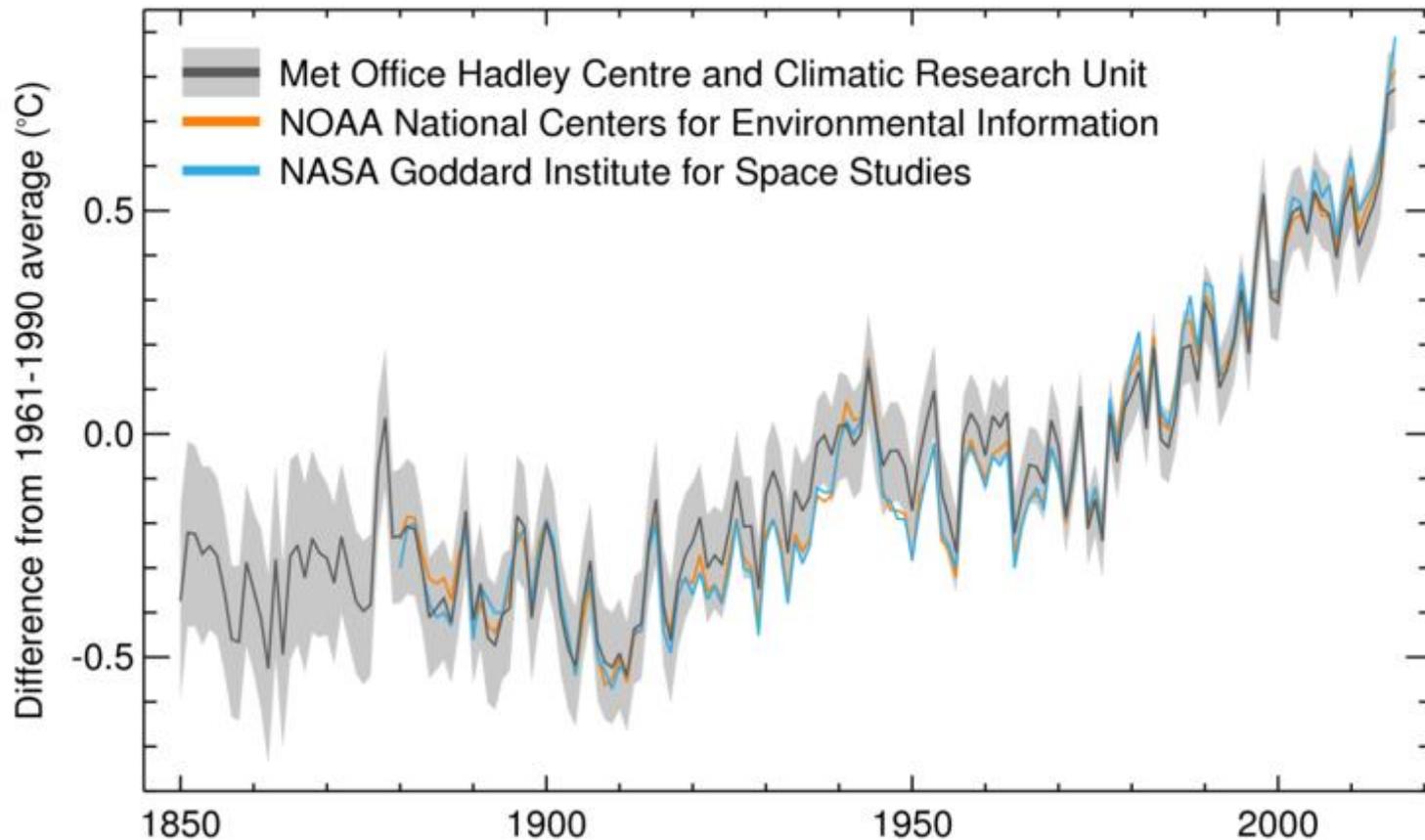


Source: OECD (2017), The Pursuit of Gender Equality: An Uphill Battle.



Addressing global warming requires international coordination

Global average temperature, difference from the 1961 to 1990 average

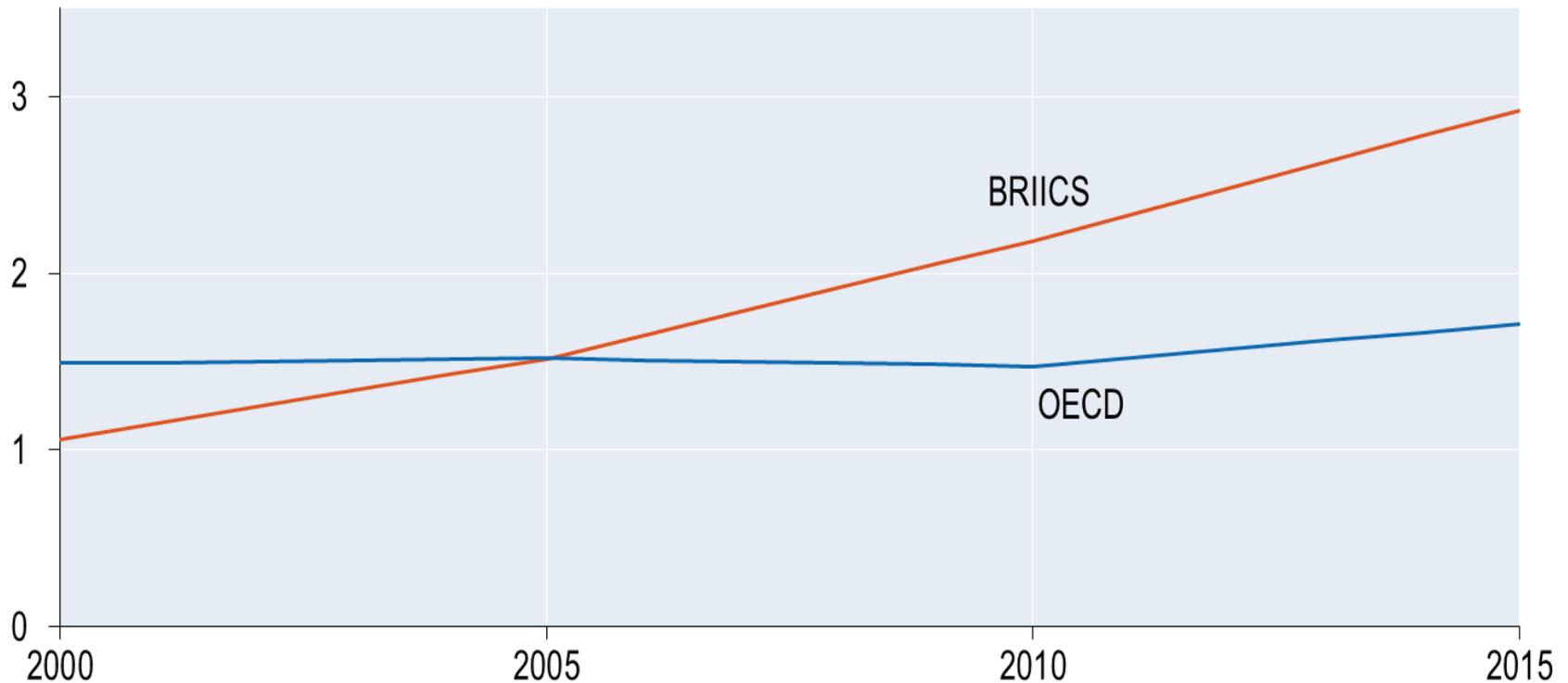


Source: UK Meteorological Office (2018).



Policy action is also needed to reduce air pollution

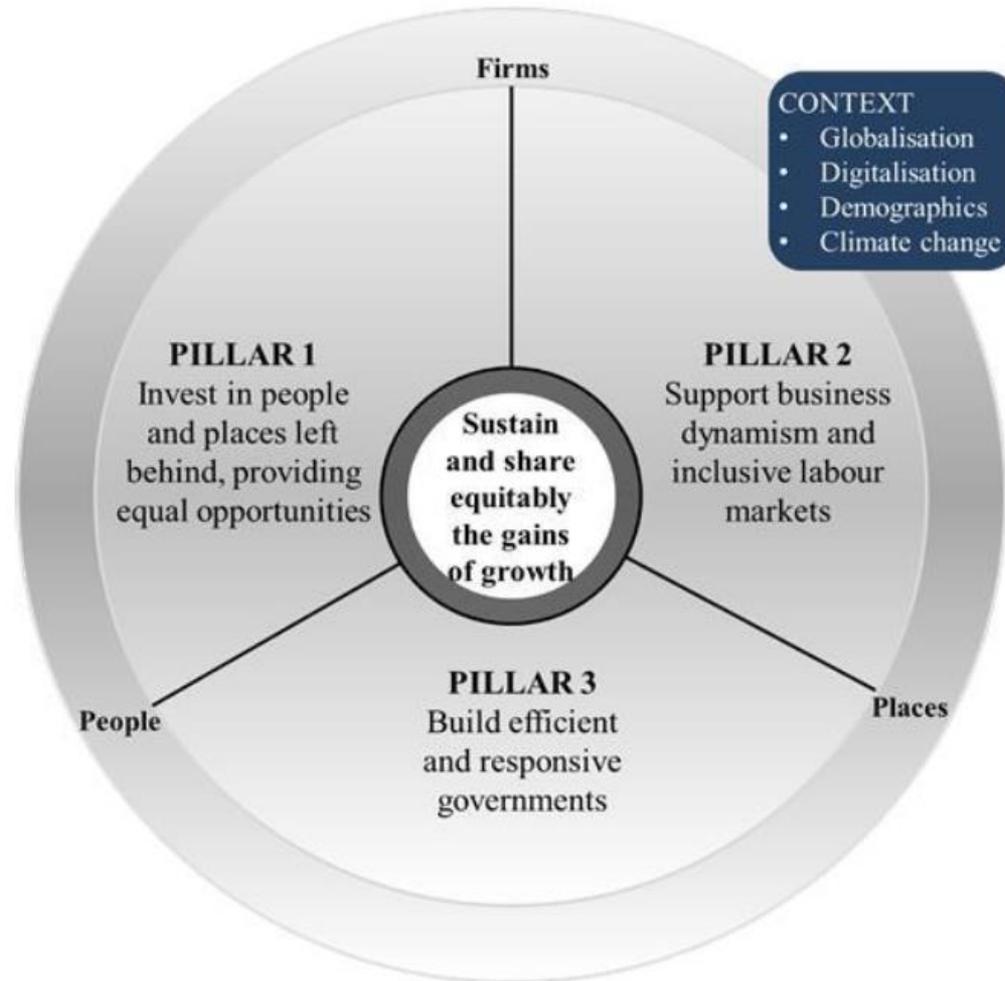
OECD and BRIICS, the cost of premature deaths from outdoor air pollution, trillion USD



Source: OECD (2018), Framework for Policy Action on Inclusive Growth.



OECD framework for inclusive growth is a coherent policy response to make globalisation sustainable



Source: OECD (2018), Framework for Policy Action on Inclusive Growth.



Policy recommendations for inclusive growth

Investing in people and places left behind

- Promoting life-long learning and acquisition of skills
- Increasing social mobility
- Improving health and enhancing access to affordable housing
- Promoting regional catch-up
- Investing in communities' well-being and social capital

Supporting business dynamism and inclusive labour markets

- Boosting productivity growth and business dynamism, while ensuring adaptation and diffusion of technologies across the board – in particular for small and young firms
- Achieving inclusive labour markets
- Optimising natural resource management for sustainable growth

Building efficient and responsive governments

- Embedding inclusiveness in policy-making
- Using data and smart technologies to design citizen-centred policies
- Screening policies for inclusiveness and accountability



Multilateral solutions: the role of the OECD

Broadening adherence to and effective implementation of international standards to level the global playing field

- Common Reporting Standard for the Automatic Exchange of Tax Information
- G20/OECD BEPS for a globally fair, modern and transparent international tax system
- Anti-Bribery Convention
- Codes of Liberalisation of Capital Movements
- Principles of Corporate Governance
- Due Diligence Guidance for Responsible Business Conduct
- Arrangement on Officially Supported Export Credits

Global coordination of policies

- Global Forum on Steel Excess Capacity
- Global Forum on Digital Security for Prosperity
- Further strengthening cooperation and coherence among IGOs including on the SDGs

Providing evidence-based analysis and addressing emerging issues

- Analytical work on trade (GVCs, TiVA, trade facilitation, services, illicit trade), investment, competition
- Going Digital initiative
- Principles underpinning the development, adoption and trust in AI
- Impact of digitalisation on the international tax system