RAISING THE BAR
BETTER POLICIES FOR BETTER LIVES
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III. Raising the bar by engaging globally

- Promoting policy reform beyond OECD membership
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IV. Lifting the bar even higher
Through almost 60 years of its existence, the OECD has been ‘raising the bar’ in almost every sphere of policy at national and international levels through its evidence-based common standards, trusted statistics and analysis, platforms for dialogue, and support to policy reform. In this way, the Organisation has developed or contributed to concrete solutions to issues that matter, with real impact on delivering better policies for better lives around the world.

By Angel Gurría, OECD Secretary-General

As an international organisation working on public policies since 1961, the OECD has been ‘raising the bar’ for what governments can achieve individually and collectively for their citizens.

By convening countries and experts, stimulating high level and technical dialogue, and sharing our expertise on social, economic and environmental issues, we help identify innovative and effective policy solutions to support domestic reforms, as well as tackle shared global issues.

‘Raising the bar’ means the OECD is consistently aiming to support countries in improving policy solutions to achieve better lives for people. We do this by:

- Helping countries develop and implement common evidence-based standards
- Collecting, analysing and sharing data and insights to inform policies
- Engaging globally and influencing decision-makers

Some of today’s key standards, practices and references in the social, economic and environment areas are the result of the OECD’s work, such as the Anti-Bribery Convention, the Polluter-Pays Principle, and the Programme for International Student Assessment (PISA) annual education test and ranking.
I. Raising the bar through common standards

What is a standard?
Standards reflect agreement between governments on the best policies or practices in a specific field. Some OECD standards are legally binding, e.g. Decisions or international treaties, while others are not, e.g. Recommendations. In the OECD, standards are developed at the request of Member countries, agreed on by consensus, and developed through a rigorous evidence-based process of negotiation led by expert committees, and involving a variety of stakeholders.

WE HAVE DEVELOPED OVER 450 INTERNATIONAL STANDARDS, INCLUDING CONVENTIONS, RECOMMENDATIONS, DECISIONS AND DECLARATIONS OVER THE PAST 55 YEARS. CURRENTLY, MORE THAN 250 LEGAL INSTRUMENTS ARE IN FORCE, SOME RELATING TO MULTIPLE SECTORAL AREAS.

OECD legal instruments in force by subject matter

Online Compendium of OECD Legal Instruments
https://legalinstruments.oecd.org
In 2015/16 one-third of the global seed trade - 1.6 billion kg of seeds - was certified under the OECD Seeds Schemes.

As a result of the OECD Anti-Bribery Convention, 560 individuals and 184 entities received criminal sanctions for foreign bribery between 1999 and 2018. By the end of last year, there were 500 investigations ongoing in 30 countries.

Through the OECD Inclusive Framework on Base Erosion and Profit Shifting (BEPS), over 130 jurisdictions have agreed on minimum standards to fight tax avoidance and profit shifting by multinationals which costs countries up to USD 240 billion annually.

The OECD is leading the way with the first intergovernmental standard on the use of Artificial Intelligence, which has the potential to transform every aspect of our lives.

Global challenges require a multidimensional and coordinated response from the international community; a common response that takes into account diverse national contexts. [...] In this context, the OECD plays a very important role as a standard setter of policies based on empirical evidence and reliable comparative data.

The OECD’s BEPS project has made unprecedented progress in tackling all such practices of transferring activities for tax purposes. The Inclusive Framework of this project, on which over 100 States and territories are collaborating, is an undeniable success in terms of involving emerging countries from around the world in global tax governance.
OECD STANDARDS HELP TO LEVEL THE GLOBAL PLAYING FIELD, DEEPEN INTERNATIONAL TECHNICAL CO-OPERATION, AND IMPLEMENT SHARED POLICY OBJECTIVES TO IMPROVE CITIZEN WELL-BEING. IN A GLOBALISED WORLD, THEY CREATE EFFICIENCY SAVINGS FOR GOVERNMENTS AND ENSURE THAT POLICIES BENEFIT CITIZENS.

**Examples of savings produced by OECD standards**

The OECD’s Mutual Acceptance of Data (MAD) System ensures that a chemical test performed in one country is accepted in over 40 other countries. This saves more than **EUR 309 million** per year as well as tens of thousands of laboratory animals’ lives.

The OECD Recommendation on Regulatory Policy and Governance helps to identify ways to cut red tape. For Greece, this represented **EUR 4.08 billion** of savings in administrative costs.

OECD standards to fight tax evasion mobilise **157 countries** and jurisdictions, with more than **EUR 95 billion** recovered to be spent on other policy priorities like health, education and housing.

The United States estimates that participation in the OECD Export Credits agreement saves US taxpayers **USD 800 million** per year.
THROUGH THE **PEER REVIEW** PROCESS, THE POLICIES OF A COUNTRY IN A PARTICULAR SUBJECT AREA ARE EXAMINED BY ITS PEERS ON AN EQUAL FOOTING. THIS ROBUST DIALOGUE AND OPEN EXCHANGE OF EXPERIENCES, SUPPORTED BY EXPERT ANALYSIS IN COMMITTEES, IS THE OECD’S HALLMARK.

**OECD peer reviews - Examples of real reforms, real impact**

- The 2018 Environmental Performance Review has helped the Czech Republic to overcome the silo approach to environmental policy making, and supported the development of new waste legislation and a carbon tax.
- Development Assistance Committee (DAC) peer reviews evaluate Members’ development co-operation policy frameworks and systems against 7 key dimensions and provide recommendations.
- OECD Environmental Performance Reviews provide an independent, fact-based assessment of a country’s environmental performance individually and in comparison with other countries, and policy recommendations.
- Since 2011, 85% of peer review recommendations have been implemented or partially implemented.
- In 2016 France adopted a new anti-corruption law in response to a recommendation made following the evaluation of France’s implementation of the OECD Anti-Bribery Convention.
- In 2018, 23 countries used OECD work on competition for competition law reform and enforcement.
- OECD Peer reviews of competition law and policy assess how countries manage competition issues, from the soundness of competition laws to the structure and effectiveness of competition institutions.
- The implementation and enforcement of the OECD Anti-Bribery Convention is monitored by the OECD Working Group on Bribery through a rigorous peer review monitoring system, which is considered by Transparency International to be the ‘gold standard’ of monitoring.
II. Raising the bar through data and analysis to inform better policies

What do we do?

The OECD informs decision-making on better policies and standard-setting through knowledge and evidence. As one of the world’s largest and most trusted sources of comparable statistics, data and policy analysis, we help inform debates in governments, parliaments, the media, and research work. Along with our Members and Partners, we provide analysis on policy solutions, identify emerging challenges and frame the debate on policy issues.

Our strength lies in the ability to help countries learn from one another, and compare best practices so that one solution may also be adapted and applied elsewhere.

Our analysis is captured in the more than 500 major reports and country surveys and more than 5 billion data points we release every year, as well as the hundreds of policy briefs, articles and digital content on policy issues that we produce.

The OECD works through different types of analysis and tools to support countries. They include:
- Data comparisons across countries
- Analysis of public policies across countries such as through recurring analysis or cutting-edge publications
- Support for policy reforms such as through country reviews and Better Policies Series

Programme for International Student Assessment (PISA) assesses 15-year-old student performance in mathematics, science and literacy. The most recent 2018 survey included around 80 nations/economies.

Geographical coverage of PISA

Based on the results of PISA, Korean policy makers have seriously considered the fact that the gender difference has increased and the student ratio of high performances has been lower than the other high-performing countries.

The PISA-2000 results were rather disappointing and had a high impact on educational policy. People often refer to this as some sort of beneficial PISA shock ... The German States started many programmes and projects at the regional/local level as well as at the federal level to approach the problems that PISA had revealed.
Green Growth Indicators measure progress at balancing environmental and economic performance across 25 indicators and 4 themes.

The pioneering OECD Better Life Index has shifted discussion on social and economic performance towards recognition that well-being is multidimensional, encompassing both economic and quality of life dimensions. It allows countries to compare well-being based on 11 topics in the areas of material living conditions and the quality of life.

The Services Trade Restrictiveness Index (STRI) provides an up-to-date snapshot of services trade barriers in 45 countries and 22 service sectors, now covering 80% of global services trade.

Trade in Value Added (TiVA) indicators consider the value added by each country in the production of goods and services that are consumed worldwide. They provide indicators for 64 economies including all OECD, EU28 and G20 countries, most East and Southeast Asian economies and a selection of South American countries.

SME Policy Index assesses and compares policies for SMEs. It has so far been carried out in Eurasia, Middle East and Africa, Southeast Asia, Western Balkans and Turkey.

Product Market Regulation (PMR) is a well-established tool to analyse the potential gains of product market reforms, measuring barriers to entry, entrepreneurship, competition, trade and FDI, covering over 70 countries. The PMR indicators are widely used in policy analysis and research done outside the OECD on these issues and are key inputs into G20 deliverables.
Examples of recurring analysis of the latest global trends or country performance

Flagship annual publications provide trusted snapshots of global trends and innovative OECD analysis on specific policy issues, identify emerging challenges and frame the debate on key global issues.

Examples of cutting-edge publications on pressing issues

Over 25% of recommendations made in Going for Growth during 2017 have led to actions in OECD countries.

The Czech Republic used and referenced the Employment Outlook as a source of information in its Work Initiative 4.0, which provides guidelines for preparing the economy and society to technological changes.

Germany and the United Kingdom established Inclusive Growth Commissions and Centres, Scotland put in place a Framework on Inclusive Growth, and Korea used the report as input for its economic policy on people-centred growth.

This joint OECD-European Commission publication presents a comprehensive international comparison of the integration outcomes of immigrants and their children across all EU and OECD countries, as well as selected G20 countries.

Shows that achieving gender equality in the economy and in political leadership remains an ongoing challenge across the world.

Has shifted international climate discussions towards a more holistic economic policy framework.

Had impressive media impact, with over 100 articles published in the days immediately following the launch, a tweet reaching 187 000 people, and a Facebook post reaching 1.7 million people with over 50 000 interactions.
Examples of support to policy reforms

Examples of country reviews

Country reviews compare country policies in a particular subject area and provide targeted policy recommendations, promoting convergence towards best practices, improving implementation of OECD standards, and helping governments build support for concrete reform measures at home.

**ECONOMIC SURVEYS**

Japan recently introduced several reforms in response to Economic Survey recommendations, such as increasing the number of childcare places by 320,000 between 2017 and 2022, introducing a compulsory cap on overtime hours in June 2018, and setting a target to raise the share of generics by 24 percent between 2017 and 2020.

**REVIEWS OF NATIONAL POLICIES FOR EDUCATION**

Several OECD reviews of education in Chile have led to the development of a new teaching career structure and the elaboration of a range of policies to reduce student segregation in schools.

**REVIEWS OF INCLUSIVE GROWTH**

A new series of national studies on Inclusive Growth apply the Framework for Policy Action on Inclusive Growth to national circumstances, and deep dive into inclusive growth challenges and countries’ performance on the recommended policies. The reviews are concretely supporting national strategies on Inclusive Growth, as for instance in Korea and Spain.

**DIGITAL GOVERNMENT REVIEWS**

Policy recommendations of the 2011 Digital Government Review of Norway informed new actions of the government to strengthen the policy environment for using government data as a strategic asset to improve public services and public value creation.

**REVIEWS OF LOCAL JOB CREATION**

● The reviews have encouraged the introduction of a regional Employment Trials programme in Australia in 10 selected disadvantaged regions, helping bring together stakeholders and employment service providers to tackle employment challenges.

● In Korea, the reviews led to the establishment of a Local Job Creation programme, enabling cities to co-design employment and skills programmes with employment services and vocational education and training providers.

● In Slovenia, the reviews resulted in the introduction of a pilot to provide local employment offices with a 5% flexible budget envelope to design employment programmes in partnership with other local stakeholders.

**TELECOMMUNICATION AND BROADCASTING REVIEWS**

The review of Mexico has led to reforms resulting in gains of several billions of dollars by consumers over 2015–2017, an increase in broadband subscriptions by 50 million, and a drop in prices for mobile internet and calls to below the OECD average.

**TERRITORIAL REVIEWS**

Following the recommendations of the 2004 Territorial Review of Montreal (Canada), the federal and provincial governments worked together to co-finance and establish performance measures of the regional organisations responsible for export promotion on the Quebec territory (Organismes régionaux de promotion des exportations (ORPEX)).

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Better Policies Series

Better Policies Series reports tailor OECD policy advice to country Leaders and Ministers, and focus on specific and timely priorities of Member and Partner countries and how governments can make reform happen.
III. Raising the bar by engaging globally

Promoting policy reform beyond OECD membership
Specific tools support Partner economies, especially Key Partners (Brazil, China, India, Indonesia, South Africa), to move closer to OECD standards and best practices, promoting sound economic governance and benefiting OECD Members by levelling the playing field globally.

Regional approaches
Regional approaches facilitate the participation of economies from a region as a group in selected OECD activities. They provide a way of reaching large numbers of countries, while anchoring into existing regional structures:
- Africa
- Eurasia
- Latin America and the Caribbean
- Middle East and North Africa (MENA)
- Southeast Asia
- South East Europe

Country-specific approaches
While the OECD has included many countries in its work, it has developed more comprehensive approaches in some strategically important cases:
- Countries having applied for OECD membership
- Country Programmes
- Joint Work Programmes

5 Key Partners
The OECD promotes direct and active participation of its five Key Partners in the work of its substantive committees, and they contribute to OECD activities in a sustained and comprehensive manner.
- Brazil
- China
- India
- Indonesia
- South Africa

Global Forums
They help foster convergence of views by a broad range of relevant players on policy standards and good practices and to identify emerging issues. OECD Global Forums enable the OECD to improve the relevance and expand the reach of its international standards.
Examples:
- Global Forum on Competition
- Global Forum on Responsible Business Conduct
- Global Forum on Digital Security for Prosperity

Partnerships in OECD bodies and adherence to legal instruments
Partners’ active participation in OECD bodies, projects and programmes is an essential tool for the promotion of policy reforms in accordance with OECD standards and practices. The Organisation encourages Partners’ active and mutually beneficial involvement in a broad range of areas.

2018 OECD Global Forum on Competition, OECD Headquarters, Paris
Supporting effective global fora: some examples

The OECD and the environment
- The recently released report on ‘Climate Finance Provided and Mobilised by Developed Countries in 2013-17’ has been a major contribution to the UN Climate Summit in September 2019 and the forthcoming COP 25.
- The OECD developed the four indicators used to monitor progress towards Aichi Target 3 under the UN’s Convention on Biological Diversity.
- OECD analysis of the use of carbon pricing on energy in 42 OECD and G20 economies sheds light on ways of strengthening carbon pricing in light of the 2015 Paris Agreement on climate.

The OECD and other International Organisations: the example of the SDGs
- ‘Measuring Distance to SDG Targets’ provides a set of indicators that shows countries’ distance to the achievement of SDG targets. It has been referenced in the voluntary national reviews that the Czech Republic, Denmark and Slovenia submitted to the UN High Level Political Forums on SDGs.
- The OECD actively supports SDG 4 on education.
- The OECD Social Institutions and Gender Index (SIGI) is an official data source for SDG indicator 5.1.1.
- The OECD-hosted Global Partnership for Effective Development Co-operation’s monitoring data form the basis for SDG indicators 17.16, 17.17, 5c.

APEC
- The OECD supports and informs discussions in several APEC workstreams, including the digital economy, competition policy and law, trade and investment, good regulatory practices and SMEs. As an important breakthrough this year, the OECD has been granted the status of Observer in the APEC Economic Committee and has been invited to participate in the APEC Senior Officials’ Meeting during Chile’s host year.
- We are actively supporting Chile’s priorities in the areas of Women, SMEs, Inclusive Growth, and economic integration.
- The OECD also supports the implementation of the Finance Ministers Process’s Cebu Action Plan.

G20
- The OECD has been, for years, supporting the G20 with its analysis, expertise and standards to achieve the objective of strong, sustainable, balanced and inclusive growth and level the global economic playing field.
- Ensuring a fairer level of taxation of multinational enterprises, through the OECD/G20 BEPS project, has been a successful example of this contribution. The OECD has been entrusted by the G20 to develop global common solutions to address the tax challenges arising from the digitalisation of the economy – to be delivered by 2020.
- By the same token, the OECD Artificial Intelligence (AI) Principles, the first global standard in this area, served as the basis for the elaboration of the G20 AI Principles endorsed at the Osaka Summit.
- In 2019, the OECD has also actively supported G20 efforts to fight against corruption, by helping develop standards for whistleblowing protection and integrity, and transparency in infrastructure development.
- The OECD is also a G20 partner for implementation: for instance, OECD’s tracking of progress towards the achievement of the “25 by 25” G20 target on women’s labour market participation continues to underpin this major commitment by Leaders.

G7
- The OECD is working closely with G7 Presidencies. In 2019, it supported the G7 French Presidency to help operationalise its priorities, starting with the fight against inequalities.
- On the eve of the Biarritz Summit, 34 leading global firms were brought together and committed to step up their actions to fight inequalities under the OECD Business for Inclusive Growth coalition.
- The OECD worked side-by-side with the G7 Gender Advisory Council to adopt and implement a package of progressive laws to advance the rights of girls and women.
- We actively worked with the G7 to advance bold proposals – notably in the area of financing - for a new global biodiversity framework, in the run-up to the 2020 Kunming COP15 on biodiversity.
- At the request of the G7 French Presidency and Canada, the OECD will consider the possibility of hosting the Global Partnership on Artificial Intelligence.

The OECD and international trade and agriculture
- The OECD Trade Facilitation Indicators provide a powerful tool to monitor worldwide efforts to improve border procedures, reduce trade costs, boost trade flows, and contribute to inclusive growth.
- The OECD Services Trade Restrictiveness Index (STRI) is a unique, evidence-based tool that provides information on regulations affecting trade in services in 22 sectors across OECD Member countries and several Partner countries that together represent over 80% of global trade in services, which is currently in the process of coverage expansion to APEC and ASEAN countries.
- For over 30 years, the OECD produces the annual Agricultural Policy Monitoring and Evaluation flagship publication, one of the premier and regularly updated sources of information on agriculture policies.
IV. Lifting the bar even higher

The OECD is not resting on its laurels but is constantly reviewing its tools, policy analysis and standards to ensure that they are fit for purpose and maintain their relevance and impact.

Staying ahead of the curve

New Approaches to Economic Challenges (NAEC) provides a space for the OECD to discuss and debate how to improve the analytical approaches to some of our most important policy questions. Initially focusing on critiques of prevailing economic theories, it is now developing alternative policy frameworks, new objectives and measurement as well as advanced tools and techniques.

Strategic Foresight is a structured and systematic way of thinking about the future. The OECD Strategic Foresight Unit assists the OECD, governments and other organisations with examining emerging trends, exploring alternative scenarios for the future, and identifying implications for policy making today.

An increasingly multidisciplinary approach to addressing policy challenges

The broad range of areas covered by the OECD makes it an ideal forum to explore cross-cutting issues, analyse policy synergies and inter-linkages, and explains why the work of the Organisation increasingly incorporates a horizontal ‘whole-of-OECD’ approach.

2019-2020 OECD Horizontal Projects

Going Digital: Making the Transformation Work for Growth and Well-being (second phase) aims to continue addressing the full range of opportunities, challenges and policy issues raised by the digital transformation, and to develop policy guidance on these issues.

Strategic Policies for Sustainable Infrastructure aims to provide a cross-cutting and multidisciplinary OECD response to address the challenges around sustainable infrastructure, and to ensure that infrastructure reaches its economic, environmental, social and development objectives.

Building an OECD Housing Strategy aims to help governments design and implement coherent policy strategies to ensure that housing sector developments are consistent with policy goals such as a better functioning housing market in terms of housing supply, housing quality, affordability, access to public services, labour market efficiency, economic resilience, poverty reduction and a clean urban environment.

Launch Ceremony of the OECD Recommendation on Artificial Intelligence, Meeting of the OECD Council at Ministerial level, 22 May 2019, Paris.
Prime Minister of Slovakia Peter Pellegrini and OECD Secretary-General Angel Gurría.
Key numbers about the OECD

- 36 MEMBER COUNTRIES
- 80% OF WORLD TRADE AND INVESTMENT (MEMBERS & KEY PARTNERS)
- 140,000 VISITORS PER YEAR
- 4,000 CONFERENCES PER YEAR
- 5 billion DATA POINTS
- 500 MAJOR REPORTS PER YEAR
- >450 INTERNATIONAL STANDARDS DEVELOPED SINCE 1961