

## Economic Survey of Sweden, 2001

### Summary

Sweden is now profiting from the macroeconomic and structural reforms undertaken in the wake of the severe recession of the early 1990s. Output has been growing at around 4 per cent per year, while inflation has been lower than in almost all other OECD countries. With healthy external and fiscal balances, the main risk to the immediate outlook is inflation drifting upwards and some overheating, since the economy is still growing faster than can be sustained in the medium term. The fiscal stimulus provided once again in this year's budget is, therefore, unhelpful, and higher interest rates are appropriate to start to relieve the pressure. Public spending strains likely in 2002 merit immediate attention, while the expenditure ceilings need more effective safety margins. At the same time, the momentum for further structural reform has weakened, even though current buoyant activity would make it easier for the economy to adjust. But the reform agenda remains unfinished, and emphasis should be placed on improving the incentives to work, save and invest in order to boost the supply of labour and capital. Competition remains weak in a number of product markets, thereby inhibiting the efficient allocation of resources across the economy as a whole. Environmental issues present a number of challenges, and although in some areas Sweden has led the way in the use of economic instruments, in others more rigorous analysis of the net social costs and benefits of alternative policies should be undertaken. Altogether, Sweden is well placed to maintain admirable economic outcomes and to achieve an even higher standard of living as long as it continues pursuing sound macroeconomic policies and satisfactorily addresses its remaining structural weaknesses. ■

**Can Sweden's positive economic performance be sustained?**

**Is some monetary tightening necessary?**

**How can tax cuts be achieved without contributing to overheating?**

**Do the expenditure ceilings need to be strengthened?**

**What measures would help lift the employment rate?**

**Which further tax cuts will stimulate savings and investment?**

**How can competition be enhanced in key utilities and retail distribution?**

**Would market rents improve the housing sector?**

**How can Sweden build on its rich experience in environmental policies?**

**Will the Kyoto targets be met in the least costly way?**

**Is favourable tax treatment for industry consistent with overall emissions policies?**

**Which economic tools will better reduce damage from agriculture and address waste?**

**For further information**

**For further reading**

**Where to contact us?**

*This Policy Brief presents the assessment and recommendations of the 2001 OECD Economic Survey of Sweden. The Economic and Development Review Committee, which is made up of the 30 Member countries and the European Commission, reviewed this Survey. The starting point for the Survey is a draft prepared by the Economics Department which is then modified following the Committee's discussions, and issued under the responsibility of the Committee.*

## Can Sweden's positive economic performance be sustained?

Economic performance has continued to be impressive, and the short-term outlook remains favourable. Growth has averaged 4 per cent in 1999 and 2000, while inflation has remained low. Real disposable incomes have recovered, and households' balance sheets have strengthened remarkably, helped by rising house prices and the stock market boom. Private consumption has picked up strongly as a result, and the savings rate has declined. Business investment has increased considerably, helped by rapid growth in other demand components and low interest rates, and housing investment has risen rapidly, albeit from very low levels. At the same time, exports have risen, benefiting from stronger growth in overseas markets.

Against this backdrop, employment growth has been well above trend, and unemployment has declined steadily to around 4 per cent. As a result the labour market is becoming still tighter, with vacancy rates and labour shortages on the rise. A key question is whether current or lower unemployment rates would be consistent over the medium term with continued low inflation. OECD estimates, while subject to considerable uncertainty, suggest it might not, unless accompanied by structural reforms. In contrast, external and budget balances are in comfortable positions: the current-account surplus has weakened only slightly and remains above 2 per cent of GDP, while the general government surplus strengthened to more than 3 per cent of GDP in 2000.

Real GDP growth is projected to remain above 3 per cent in 2001, while in 2002 – assuming broadly neutral fiscal policy for that year – it should moderate to around 2½ per

cent. Thus, the economy could continue to expand at rates above potential during most of the forecast period. Consequently, unemployment is expected to fall further below the OECD's estimate of its sustainable level, thereby inducing some pickup in wage increases. The OECD's *Outlook* assumes that the Riksbank will respond by raising interest rates during the course of 2001. Despite this tightening, inflation is expected to exceed the 2 per cent target in 2002. At the same time, spreading capacity constraints are projected to result in declining export market shares and a shrinking current account surplus. The main upside risks to activity over the projection period emanate from domestic sources. The savings rate might continue to decline, in particular if the Riksbank were to increase rates only moderately, or if fiscal policies continued to stimulate demand in 2002. This would occur if further tax cuts were not offset by lower spending. On the other hand, if recent signs of global slowing and weaker equity markets intensify, they may presage lower-than-projected growth. ■

## Is some monetary tightening necessary?

The inflation-targeting monetary policy regime remains in place, with a target rate of 2 per cent and a tolerance band of  $\pm 1$  per cent. The government has repeated its position that it has no current plans to enter the European exchange rate mechanism (ERM2), despite favouring eventual adoption of the euro. The current monetary framework was reinforced in 1999, and its already high credibility has strengthened further. This was illustrated, for example, by the elimination in 2000 of the interest-rate differential on long-term government bonds *vis-à-vis* Germany. Consumer price inflation remained remarkably subdued at

1¼ per cent in 2000, below the Riksbank's target for the fifth consecutive year. Although greater competition has helped to contain price increases, undershooting can also be partly attributed to temporary or non-market-determined factors – falling mortgage interest costs, suppressed increases in housing rents and declining profit shares – as well as to the krona appreciation up to mid-2000. While wage increases have been historically low in nominal terms, real wage gains have nonetheless exceeded productivity increases in recent years.

Although inflation has remained low, the tightening of monetary policy in 1999 and the first half of 2000 was appropriate. Interest rates were raised in November 1999 and again in February 2000, but, with continuing positive results on inflation, the Bank held the repo rate constant at 3.75 per cent until December 2000, when it was raised by ¼ percentage point. As interest rates were increased considerably in the euro area during 2000, the short-term interest rate differential between Sweden and the euro area turned negative in mid-2000 and widened rapidly to around 1 percentage point. With fixed-income investors able to find higher returns abroad, weakness in Sweden's equity markets, and the liberalisation of pension fund portfolios, the exchange rate depreciated considerably in the second half of 2000, thereby reversing most of the earlier appreciation. In addition, the budget for 2001 implies further stimulus to activity (see below). However, while acknowledging that the risks are mainly on the upside, the Riksbank has not clearly foreshadowed any further interest rate increases, given their assessment of the prospects for inflation two years ahead, and the fact that inflation expectations are close to the target of 2 per cent. Still, the OECD projects that growth will not slow down to its potential

rate of 2-2½ per cent on current macroeconomic policies, so that further interest rate rises are likely to be needed. Taking early action would help smooth the path to a more sustainable growth rate and safeguard the Bank's credibility. ■

### How can tax cuts be achieved without contributing to overheating?

Sweden has achieved a huge turnaround in its public finances, and the budget surplus was above 3 per cent of GDP in 2000. Significant tax cuts were included in both the 2000 and 2001 Budgets, amounting to more than 1½ per cent of GDP in total. These cuts are part of a multi-year income tax reform, with further reductions signalled in coming years, depending on the state of the economy. Well-targeted tax cuts would certainly strengthen the supply side of the economy, particularly in Sweden where tax rates are very high. In the short term, however, they have resulted in an easing of fiscal policy, especially in 2001, when growth rates are projected to be still well above what is sustainable in the medium term. To avoid this pro-cyclical impetus, it would have been more prudent to match the tax cuts with spending reductions in order to avoid the risk of eventual over-heating. Otherwise more of the burden of cooling activity may simply be shifted onto monetary policy. Furthermore, while the government takes into account the role of the conjuncture in assessing the room for tax cuts and is committed to achieving a 2 per cent surplus over the course of the economic cycle, the transparency of the process suffers from the fact that the government does not publish estimates of the output gap and the cyclically-adjusted budget surplus. ■

### Do the expenditure ceilings need to be strengthened?

The main challenge for fiscal policy in 2002 will be to address spending pressures and build room for further tax cuts without compromising the government's overall fiscal stance. The expenditure ceilings, instituted in 1997, are generally perceived to have constrained outlays, although discretionary spending has in fact grown faster since the ceilings were instituted than in the years immediately prior. But because cyclical components such as unemployment benefits and outlays on labour market programmes are included, savings due to buoyant activity and low inflation have in turn been spent on other public programmes. Moreover, the original reserve provided within the ceiling for unexpected expenditure increases has been used up: projected spending for 2002 is almost at the same level as the ceiling. In the short run expenditure on benefit entitlements are beyond the authorities' control, and, without any cushion in the form of a safety margin, it might be necessary to offset unexpected cyclical increases with cutbacks in discretionary spending. A prudent approach to budget planning would call for identifying now which programmes would be cut back in 2002, if needed to remain within the ceilings. Postponing remedial action risks putting the government in the difficult situation of either violating the limits or making hasty and painful cuts to bring expenditure in line, thereby failing to prune in the most effective manner.

The expenditure ceilings have been a useful instrument for strengthening budget control. But they could be made more effective by incorporating a separate planning margin, to allow for policy initiatives, and an uncertainty margin, to absorb fluctuations in economic activity

and inflation, as was recently recommended by a government-appointed expert group. It might be tempting to add the new margins on top of the projected spending for 2002, but a better approach would be to restore the margins within the current ceilings. While ambitious, this would make lower taxes a more justifiable proposition. In any case, the effectiveness of such changes would still depend heavily on the political commitment to restrain expenditure growth – something that has not yet been tested in a period of economic weakness.

Sweden's deep economic crisis at the beginning of the 1990s provided a strong motivation for undertaking major macroeconomic and structural reforms. The adjustment process was painful and difficult, but the benefits are now clearly manifest in improved economic performance. The present conjuncture should provide an ideal opportunity to carry out further structural measures, but the momentum for taking such steps seems to have slackened now that the difficult times have passed. With buoyant demand and accommodating macroeconomic policies, the emphasis should be on raising the supply potential of the economy through providing stronger incentives for people to work, save and invest. In addition, greater competition and flexibility in product markets would improve the allocation of existing resources and encourage dynamic efficiency through innovation. With ample expertise in information technology, Sweden should also be well positioned for "new economy" effects to emerge. ■

### What measures would help lift the employment rate?

Lowering structural unemployment is an important factor in easing upward pressure on wages. In light of this, the government's proposal to

increase the generosity of unemployment benefits by raising the ceiling for the first 100 days seems inappropriate, since it may prompt extended job search duration and spur pressures for a more general increase in benefits. The new activity guarantee is designed to help the long-term unemployed acquire better work skills as well as to provide a stronger incentive to find a job. It is too early to assess the impact of this measure, but it could be improved by imposing a time limit on the guarantee itself, instead of leaving it open-ended. Part-time unemployment is a particular feature of the Swedish labour market, with more than 10 per cent of all part-time workers collecting supplementary unemployment benefits. The rules governing these payments are generous, and anyone receiving them faces weak incentives to work longer hours or shift to a full-time job. The recent extension of the activity guarantee scheme to cover the part-time unemployed may help to sift out those who are not genuinely willing to work longer hours, but it would be better to reduce the generosity and duration of the supplementary benefits at the same time.

Although unemployment has fallen sharply and employment growth has been impressive, labour force participation has only recently picked up appreciably and remains well below the levels before the early-1990s crisis. Encouraging participation should therefore be a key priority. But at present, some 5 to 6 per cent of the working-age population is tied up in labour market programmes and adult education, keeping them out of the workforce. A significant downscaling of these measures will be required for the government to fulfil its objective of increasing the unsubsidised employment rate from its current 77 per cent level to 80 per cent by 2004.

Active labour market policies (ALMPs) have long been a key feature

of Sweden's policy settings. While ALMPs were probably important in containing problems of permanent exclusion from the labour market when unemployment was high, there is little evidence that these programmes have had any significant effect on unemployment itself. A three-pronged approach to improving the programmes would help:

- provide stronger encouragement to participants to search for work themselves, by tightening the criteria for participation in programmes and applying strong sanctions for non-compliance;
- exercise tighter control over active labour market programmes to ensure that funds are allocated to those providers that deliver the best results; and
- target more closely those specific groups of unemployed who really do face employability problems, for example because of poor language or literacy skills, and tailor programmes to those specific needs.

A further contribution to raising the employment rate could be achieved by encouraging students to complete their schooling at a faster pace so that they can enter the labour market at an earlier age. While the education system is performing well in many respects, the good results are often achieved at high cost. On average, students take too long to complete their studies. A greater wage dispersion would help provide a clearer signal about the real value of skills and a stronger incentive for individuals to invest more in their own human capital. ■

### Which further tax cuts will stimulate savings and investment?

Sweden's very high tax burden presents a number of challenges affecting both the labour market and resource allocation more generally.

Given the way high marginal tax rates discourage work efforts, lowering taxes on labour should be an important medium-term objective, especially since average marginal effective tax rates have increased over the past decade. The income tax cuts in the last two budgets should stimulate labour supply and market-based activity more generally, although larger effects could have been achieved if the increase in the threshold for the state income tax had been greater. Lowering marginal effective capital tax rates and abolishing the wealth tax would also encourage savings, as well as diminishing the appeal of earning income offshore in order to avoid taxes. This could be achieved without a significant loss of revenue because it would also reduce households' allowances for mortgage interest payments, although the induced wealth effect through the negative impact on house prices would dampen household consumption along with a direct effect on disposable incomes. However, lowering the capital tax rate in isolation would exacerbate the incentives for income shifting in the dual-income taxation regime. It would therefore be most appropriately introduced as part of a broader package including income tax cuts. The recent reduction in property tax, in contrast, does not seem to be consistent with the standard taxation principle of taxing immovable bases. In any case, tax reforms will need to take into account a number of factors likely to erode tax bases over the coming years, including the spread of electronic commerce, and the room to manoeuvre will also depend on developments in public expenditure. ■

### How can competition be enhanced in key utilities and retail distribution?

Promoting competition has been another priority area for structural

reforms, and the government has continued its efforts to liberalise product markets, particularly in the utilities sector. The recent abolition of the hourly metering requirement on households has made it easier for them to switch electricity suppliers. In addition, the expiry of long-term contracts for the supply of electricity to households should provide greater opportunity for active competition at the wholesale level. However, the power of the local monopolies is still evident in electricity distribution, even if the new obligation to publish network tariffs helps customers judge whether prices are reasonable. In telecommunications, competition has increased significantly since 1993, but although Telia's overall market share has fallen, it still holds a dominant position in most segments. Pre-selection and number portability have been unable to deliver on their promise to reduce concentration because of Telia's ownership of the local loop. "Unbundling" the local loop is a high priority, and draft legislation has been prepared, but it faces constitutional hurdles. Several legislative changes have been made for mobile telephone networks, including national roaming rights for new entrants and number portability, but it remains to be seen how much difference these changes will make to the intensity of competition. UMTS licenses have been awarded to four operators after a "beauty contest", the government having opted to forgo the large revenues associated with auctions held elsewhere in the belief that the network would become operational at an earlier date. However, subsequent legal challenges threaten to lengthen the process.

Greater efforts are needed to strengthen competition in retail distribution, since the overall price level remains some 15-20 per cent higher than the OECD average, even if the two are slowly converging. For

food and groceries, existing firms charge high prices, but that has not elicited potential competitors. The particular ownership structures of the three dominant chains, together with the block exemption from competition rules, provides a high degree of protection, while building and planning restrictions exercised by local authorities may work against new entrants building supermarkets and especially hypermarkets. Until these barriers are reduced and the threat of entry is real, Swedish consumers will continue to face higher food and grocery prices than elsewhere. Adhering to the abolition of the block exemption scheduled for June 2001 will help to free up the market, and industry arguments to extend it again should be firmly resisted. ■

### Would market rents improve the housing sector?

The housing sector presents a number of concerns. The system of *de facto* rent controls has led to a poor allocation of rental housing and weak incentives for investment in new rental stock. This has contributed to some acute shortages in metropolitan areas, especially around Stockholm, and housing investment relative to GDP is easily the lowest in the OECD. Municipal housing rents, which are cost-based and low because the stock is largely old and free of debt, effectively set a ceiling for rents in the private sector. In addition, the gap between official rents and what market rents would be in some localities provides a strong incentive to bend, or even break, the rules on sub-letting apartments in order to obtain windfall gains. Allowing the owners of private and municipal properties to charge market rents would go a long way towards promoting a more rational allocation of the existing stock as well as providing a reasonable

return to new developments. In addition, some authorities are reluctant to provide space for new housing development, especially because it reduces space for public amenities while doing little to expand their local tax base, given the inter-governmental equalisation arrangements and the absence of a municipal property tax. A few municipalities have started to sell their existing properties to their tenants, at cost price. While this may help improve the allocation of the housing stock in the long run, it gives sizeable windfall gains to some purchasers, given the current high prices for owner-occupied housing. ■

### How can Sweden build on its rich experience in environmental policies?

In a longer-term perspective, potential rates of growth will be determined not only by the quality of macroeconomic policy setting and the institutions and structural frameworks already mentioned but also by sustainability considerations in the environmental domain. The recently adopted 15 environmental objectives provide a comprehensive structure for shaping policy. This has highlighted some of the more difficult trade-offs that it faces in trying to achieve all these goals, most notably the challenge of simultaneously lowering greenhouse gas emissions and reducing reliance on nuclear power without any new hydro-electric development. At the same time, the country has a depth of experience with economic instruments to improve environmental outcomes, although systematic and rigorous cost-benefit analysis needs to be applied in choosing policies. Such an approach would help environmental policy makers to identify which options would offer the greatest net benefit to society as a whole.

The Swedish landscape is particularly vulnerable to acid rain, and an extensive liming programme is required to mitigate the damage. Sweden's harmful sulphur and NO<sub>x</sub> emissions have been significantly reduced over the years, and damage now comes mainly from offshore sources. The Gothenburg protocol represents a significant step forward in international co-operation to reduce emissions in all signatory countries, and Sweden continues to press for further efforts in other countries. It has also taken steps to reduce the emissions of sulphur and nitrogen oxide from Baltic shipping, which is responsible for a significant share of depositions falling on Sweden. The Swedish system of differentiated fairway dues is an innovative approach providing economic incentives to shipping companies to reduce emissions. It would be even more successful if adopted by other Baltic countries. Some other domestic sources of emissions (for example, off-road machinery) may be more difficult to influence through economic instruments, and stricter regulations and controls may be the most cost-effective strategy, if further reductions are desired. ■

### Will the Kyoto targets be met in the least costly way?

Climate change is clearly a key focus of Swedish environmental policy, although its own emissions are among the lowest in the OECD on a per capita basis, thanks mainly to the limited use of fossil fuels in electricity generation. Under the Kyoto Agreement and the burden-sharing arrangements within the European Union, Sweden is pledged to limiting its greenhouse gas emissions in the period 2008-12 to no more than 4 per cent above 1990 levels. But projections by the National Institute of Economic Research suggest

that, on present policies, emissions could be 15 per cent higher. A carbon tax is already in place, but it is clear that to reduce domestic emissions further, either the tax must be raised substantially or a domestic cap-and-trade system of emissions permits needs to be instituted instead; the relative merits of these two options are now being examined by the Swedish authorities. However, with already low per capita emissions, the marginal cost of reducing emissions in Sweden is likely to be higher than in many other countries, and the inclusion of flexible mechanisms within the global arrangements would make it possible for Sweden to achieve its commitments in the most efficient way. A swift and clear resolution at international level would make it easier for Sweden to move forward with its own strategy to combat global warming and address the question of whether it should aim for further reductions beyond present commitments and, if so, how these should be achieved.

In the meantime, the government has announced a further rise in carbon taxes and a realignment of the energy taxes in the 2001 budget, as part of the green tax swap. Energy taxes are to be based on energy content and in the longer term will be extended to biofuels. Their restructuring is intended to provide a clearer and general incentive for energy conservation as well as making them a more effective fiscal instrument for raising revenue. Thus, energy taxes play a limited and indirect role in the climate strategy, where the focus is on reducing harmful emissions. In this respect, making energy sources that emit greenhouse gases relatively more expensive makes more sense, as reflected in the shift towards higher CO<sub>2</sub> taxes. However, to the extent that raising carbon taxes lifts prices for all electricity producers, this would generate an economic rent for hydro-electricity and

nuclear generators that would be appropriate to tax away – at least if the present policy of not allowing expansion in these sectors is maintained. ■

### Is favourable tax treatment for industry consistent with overall emissions policies?

Another feature of the Swedish tax system is the favourable treatment of industry compared to other users, with respect to both energy and carbon tax rates, and also the special rules applying to energy-intensive industry. The approach is intended to ensure that producers in Sweden face energy prices that are competitive in an international context and for carbon taxes, the policy is based on addressing the consequences of Sweden having gone further in applying these taxes than many other countries. If Swedish industry faced the full force of these environmental measures, Swedish emissions would be reduced in the least costly way, but some loss of competitiveness would occur and some production might move offshore. This could result in higher global emissions, although the extent of such leakage is essentially an empirical matter. However, such concerns are no longer relevant if all countries are making similar efforts to address global warming, as would be the case once the Kyoto protocol is implemented, even if not all countries are bound by it. The main challenge for Sweden is to find the best strategy in the interim period until the protocol is applied. Under the current approach, some enterprises receive what amounts to a significant tax expenditure, while incentives to reduce emissions and improve energy efficiency more generally are distorted. This produces an inefficient allocation of resources across the economy as a whole and places a greater share of the adjust-

ment costs of meeting Sweden's environmental targets onto remaining energy consumers. It would be better to equalise marginal abatement costs to help ensure that domestic emissions were reduced in the least costly way, while providing compensation for the loss of profitability that businesses would incur from the removal of the present exemptions and reduced rates applying to some sectors. Two alternative ways of dealing with this would be either to apply a uniform tax rate and provide an offsetting general tax credit, or to shift to a cap-and-trade system within which existing emitters would receive tradable permits under a grandfathering arrangement. ■

### Which economic tools will better reduce damage from agriculture and address waste?

Sweden's waterways have been badly affected by excess nutrient run-off from agriculture, which has in turn been exacerbated by the substantial amount of agricultural support provided. More market-based price signals for agricultural production at the European level would clearly have an impact on the environment, and provide a sounder base for developing environmental policies to address the externalities that would remain. In

the meantime, Sweden has used a combination of fertiliser taxes, regulations concerning farming techniques and subsidies to encourage organic farming. However, the relationship between nitrogen application, farming methods and leaching is complex, and none of the present instruments seems to be particularly effective or cost-efficient. Two alternatives merit further study. One option would be to move to a system of taxes or permits applying to nitrogen losses or residuals from each farm. The other would be to develop a charging system for agriculture whereby a standard fee was collected from all farms and then redistributed back to those that performed best according to a key set of environmental indicators. Both schemes might involve significant compliance costs, but this would be at least partly offset by easing the current tight regulations governing farming methods. A rigorous evaluation of the costs and benefits of the present arrangements would provide a useful starting point for evaluating alternative approaches.

Waste management is an area where cost-benefit analysis has not been used to a large extent. Policies are based on environmental impact studies, while the actual cost of waste management is not always reflected in the cost to consumers. The extended producer responsibility approach assumes that recycling

is always worthwhile, despite some studies that question the value of recycling certain materials. The approach has achieved its recycling targets, but without taking into account overall environmental and economic costs. An evaluation of the full costs and benefits of the existing schemes is now underway. Municipal waste policy follows the "waste hierarchy" approach: landfill of combustible materials will be banned from 2002 and organic waste from 2005. But both the environmental and economic rationale for this ranking of waste disposal methods have been questioned. It would therefore seem prudent to rigorously assess the net social benefits to be gained before implementing the announced bans. Indeed, regional variations and local preferences for different disposal methods need to be at the forefront in the assessment of both costs and benefits, since much of the environmental damage is local. ■

### For further information

Further information on the Survey can be obtained from Deborah Roseveare (email: [deborah.roseveare@oecd.org](mailto:deborah.roseveare@oecd.org), tel.: 33-1-45.24.17.54) and Steen Daugaard (email: [steen.daugaard@oecd.org](mailto:steen.daugaard@oecd.org), tel.: 33-1-45.24.14.47).

## For further reading

- **OECD Economic Surveys:** Economic Surveys review the economies of Member countries and, from time to time, selected non-Members. Approximately 18 Surveys are published each year. They are available individually or by subscription. For more information, consult the Periodicals section of the OECD online Bookshop at [www.oecd.org/bookshop](http://www.oecd.org/bookshop).



- **Additional Information:** More information about the work of the OECD Economics Department, including information about other publications, data products and Working Papers available for downloading, can be found on the Department's Website at [www.oecd.org/eco/eco/](http://www.oecd.org/eco/eco/).
- **Economic Outlook No. 68,** December 2000. A preliminary edition is published on the OECD Website approximately one month prior to the publication of the book: [www.oecd.org/eco/out/Eo.htm](http://www.oecd.org/eco/out/Eo.htm).

**OECD publications can be securely purchased  
from the OECD Online Bookshop**  
[www.oecd.org/bookshop](http://www.oecd.org/bookshop)

The OECD Policy Briefs are prepared by the Public Affairs Division,  
Public Affairs and Communications Directorate.  
They are published under the responsibility of the Secretary-General.

## Where to contact us?

<p><b>FRANCE</b> OECD Headquarters 2, rue André-Pascal 75775 PARIS Cedex 16 Tel.: 33 (0) 1 45 24 81 81 Fax: 33 (0) 1 45 24 19 50 E-mail: <a href="mailto:sales@oecd.org">sales@oecd.org</a> Internet: <a href="http://www.oecd.org">www.oecd.org</a></p>	<p><b>GERMANY</b> OECD BERLIN Centre Albrechtstrasse 9/10 D-10117 BERLIN Tel.: (49-30) 2888353 Fax: (49-30) 28883545 E-mail: <a href="mailto:berlin.contact@oecd.org">berlin.contact@oecd.org</a> Internet: <a href="http://www.oecd.org/deutschland">www.oecd.org/deutschland</a></p>	<p><b>JAPAN</b> OECD TOKYO Centre Landic Akasaka Bldg 2-3-4 Akasaka, Minato-Ku TOKYO 107 Tel.: (81-3) 3586 2016 Fax: (81-3) 3584 7929 E-mail: <a href="mailto:center@oecdtkyo.org">center@oecdtkyo.org</a> Internet: <a href="http://www.oecdtkyo.org">www.oecdtkyo.org</a></p>	<p><b>MEXICO</b> OECD MEXICO Centre Av. Presidente Mazaryk 526 Colonia: Polanco C.P. 11560 Mexico, D.F. Tel.: (00.52.5) 281 3810 Fax: (00.52.5) 280 0480 E-mail: <a href="mailto:mexico.contact@oecd.org">mexico.contact@oecd.org</a> Internet: <a href="http://www.rtn.net.mx/ocde">www.rtn.net.mx/ocde</a></p>	<p><b>UNITED STATES</b> OECD WASHINGTON Center 2001 L Street N.W., Suite 650 WASHINGTON D.C. 20036-4922 Tel.: (1-202) 785 6323 Fax: (1-202) 785 0350 E-mail: <a href="mailto:washington.contact@oecd.org">washington.contact@oecd.org</a> Internet: <a href="http://www.oecdwash.org">www.oecdwash.org</a> Toll free: (1-800) 456 6323</p>
--	--	---	--	--

**The OECD Policy Briefs are available on the OECD's Internet site**

[www.oecd.org/publications/Pol\\_brief/](http://www.oecd.org/publications/Pol_brief/)