# POLICY BRIEF

OECD

March 2005

# Economic Survey of Spain, 2005



## Summary

The Spanish economy has enjoyed many years of brisk growth and has recovered swiftly from the recent international slowdown. Activity has been boosted by low interest rates and strong job creation, and underpinned by structural reforms and a sound fiscal policy. As a result, the income gap with the euro area steadily narrowed. However, tensions have arisen that could undermine the strong growth performance as inflation is relatively high, eroding competitiveness, while the surge in house prices does not yet show signs of abating. Also productivity gains have remained meagre and unemployment is still high.

Against this background, the new government has embarked on a strategy that aims at boosting productivity performance by raising spending on education and research and development activities, while pursuing a prudent fiscal policy within a more transparent framework. Also a plan has been adopted to alleviate the tensions in the housing market. These measures go in the right direction, but they need to be complemented by additional reforms to accelerate convergence with the best performing countries.

**Maintaining macroeconomic stability and competitiveness:** narrowing the inflation differential with the euro area is key to avoiding a continuous erosion of competitiveness. Relatively high inflation is fuelled by rigidities in labour, goods and services markets. The wage bargaining system, for instance, leads to nominal wage inertia through catch-up clauses in collective agreements. Moreover, competition needs to be raised in several sheltered sectors. Cooling the housing market is also key for maintaining macroeconomic stability. Reforms should go beyond those already approved and remove the obstacles limiting the supply of building land. Tax incentives for house purchases should be phased out to lower demand pressures and to develop the rental market, which is too narrow.

**Combining higher productivity gains with rapid employment growth:** productivity growth is hampered by shortcomings in the education system, while R&D activities are low, despite recent progress. Policies that sharpen incentives should accompany the

*This Policy Brief presents the assessment and recommendations of the 2005 OECD Economic Survey of Spain. 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.*

OECD Observer

planned spending increases, including greater autonomy for schools, linking the financing of universities to their performance, raising university fees and fostering private R&D spending, mainly by improving framework conditions. Reducing labour market segmentation by lowering employment protection for permanent workers and applying current legal limits to the renewal of temporary contracts is also crucial as segmentation undermines productivity gains by weakening incentives for job training and work effort. Reforming active labour market policies together with unemployment benefits would help to reduce unemployment further.

**Preserving sound public finances:** aiming at a balanced budget over the business cycle rather than every year, as planned by the authorities, is warranted, but must not undermine fiscal discipline. This will require maintaining a fiscal surveillance system for the regions. The financing system for the regions should be improved by taking better account of the net fiscal effect of demographic developments linked to immigration and ageing, while regional authorities' incentives to act in a cost-conscious way should be strengthened. Better information systems would favour the adoption of best policy practices by the regions. In the long run, the financial viability of the pension system is threatened. Reforms should focus on revising the parameters for establishing pension rights, which are inconsistent with long-term solvency. The adjustments needed will be less far-reaching insofar as policies designed to boost productivity and employment, particularly for female and old workers, are effective and if the transient social security surpluses expected over the coming years are saved, which would imply a tighter fiscal policy than currently projected. ■

## What are the key challenges?

For a decade now, Spain's performance has been remarkable. Growth has been robust, allowing real convergence at a fairly brisk pace, with the standard of living differential with the euro area average shrinking from 20% to less than 13% between 1995 and 2003. Fiscal consolidation, the fall in interest rates due to the introduction of the single currency, structural reforms pursued since the mid-1990s and a surge in immigration have created a virtuous circle of rapidly rising activity sustained by strong job creation. But where there is much light, there is also shadow: unemployment is still widespread; productivity gains have remained meagre; inflation is relatively high, eroding international competitiveness; and the surge in house prices is a cause for concern. Against this background, it will be important to tackle the impediments to the continued dynamism of the Spanish economy by accelerating the pace of structural reform. Preserving conditions that will ensure that convergence continues at a rapid pace should involve:

- *Maintaining macroeconomic stability and competitiveness*. The inflation differential with the euro area has to be reduced. Actions should include improving the collective bargaining system and strengthening competition in the sheltered sectors. The real estate sector also needs to cool down. House prices have almost doubled in real terms since 1998, increasing the risk of a fall in the medium term, while the associated rapid increase in household indebtedness also makes domestic demand more vulnerable to higher interest rates. Reforms to housing policy should play a vital role.
- *Boosting productivity gains*. Stronger productivity gains are needed to raise the pace of convergence. Spain is lagging in human capital investment and technological development, while various market distortions may hinder the emergence of activities with higher value added. It is important for Spain to avoid being locked into a specialisation in relatively low-technology sectors where it is likely to face growing competition from countries with lower labour cost.
- *Keeping public finances sound*. To retain the benefits of fiscal consolidation, while providing quality infrastructure and public services, it will be important to improve fiscal management and, especially, relations between the different levels of government in view of the very decentralised institutional framework. In the longer term, one of the main challenges is to guarantee the fiscal sustainability of the pension schemes, which is threatened by population ageing.

The factors underpinning strong growth in recent years continued to operate in 2004, but the accompanying strains persisted and this put a damper on the results. Interest rates remained low in real terms, immigration continued at a rapid pace and real wage gains remained moderate. The increase in activity, which has reached 2¾ per cent, continued to depend on solid growth in household spending, underpinned by strong job creation which has reduced unemployment to less than 10½ per cent. These positive developments have, however, been accompanied by productivity gains that are very modest, at just ½ per cent, as well as a surge in property prices and household borrowing. The inflation differential with the euro area of close to 1 percentage point has persisted. The positive growth differential with the euro area, which amounted to 1¼ percentage points on average between 1996 and 2003, narrowed to ¾ of a percentage point in 2004 because of less favourable foreign trade developments, despite the improvement of the international environment. Although the appreciation of the euro, coupled with the rise in relative labour costs, has weakened price competitiveness in recent years, industrial firms have been able to maintain their market share until 2003 either by reducing margins and, more recently, by adjusting the workforce. This situation, which shows up in a widening dichotomy between developments in the exposed and sheltered sectors, seems difficult to maintain over the longer term. ■

## How can inflation be tamed?

The policy of balancing the government account in structural terms, which the authorities intend to pursue over the coming years, could result in a slightly expansionary macroeconomic policy stance. For 2005, this poses no problem as the output gap is still slightly negative, while growth will probably be close to potential at 2¾ per cent. Though this projection is a little more pessimistic than that of the authorities, because of a somewhat higher oil price assumption, balancing the budget should be feasible because tax receipts are likely to remain buoyant since the nominal increase in GDP (Gross domestic product) could exceed the official projection. Looking beyond the short term, the persistence of low real interest rates and the property boom should keep domestic demand growing swiftly, but the resulting strains on capacity should be limited by a weakening export performance. While fiscal policy should play some role in ensuring against the risk of excessive domestic demand pressures and be in line with long-term fiscal needs, reducing the inflation gap requires above all structural reforms.

Narrowing the inflation differential with the euro area, which has amounted to a cumulative 8 percentage points since 1997 and is threatening the robustness of growth, should be a priority. The differential is eroding competitiveness while it stimulates domestic demand by reducing real interest rates. This fosters strong growth of sheltered, often less productive, sectors. The persistence of this differential cannot be ascribed to price convergence that is driven by the catch-up process, a so-called Balassa-Samuelson effect. Demand pressures partly explain the inflation differential, though real wage gains have been moderate, and capacity constraints have been similar to the euro area. Another reason for the persistence of the inflation differential is related to a high degree of nominal price and wage inertia, due to insufficient product market competition in several sectors and to the existing wage bargaining system. Nominal wage increases have remained above the euro area average in a context of low productivity gains and, in several sheltered sectors, where demand pressures are stronger and effective competition is still relatively weak, enterprises are able to pass on relatively rapid labour cost increases into prices. ■

## How can competition and wage bargaining be improved?

Since the late 1990s, reforms of goods and services markets have been timid, even though competitive pressures appear limited in several sheltered sectors. The numerous barriers to the establishment of new hypermarkets and shopping centres in retail distribution that have been put in place by regional governments should be dismantled. The recent change in the framework law that regulates retail opening hours, although it has allowed the settling of an ongoing legal dispute, has been a step in the wrong direction as it allows regional governments to reduce maximum opening time for large outlets. This not only protects small, less-productive shops, but also impinges on welfare by limiting shopping time and thus reduces opportunities to reconcile work with family life. In network industries, further reforms are necessary to reduce the still considerable market power wielded by a small number of firms. Liberalisation of network industries has resulted in efficiency gains and important price reductions in recent years, but some segments of the energy sector are still *de facto* vertically integrated, with incumbents controlling prices and raising barriers to the entry of new competitors and there is little price competition in mobile telephony. While the general competition authorities have handed down tough decisions in a number of high-profile cases, their effectiveness should be raised further by granting greater independence and by enhancing their advocacy role, which could be used to investigate service sectors where prices are high. Competition policy would also be strengthened by merging the Competition Tribunal and the Competition Service as this would lead to synergies in investigations. Leniency programmes have been successful in other countries and should also be introduced in Spain. The government has adopted, after the finalisation of this *Survey*, a set of measures aiming at improving the functioning of the product market and strengthening productivity.

Real wage gains have been broadly in line with aggregate productivity developments, thus underpinning job creation. But nominal wage growth has remained relatively high, partly reflecting catch-up clauses for inflation surprises in many collective agreements. *Ex-post* indexation should be eliminated, as it induces nominal wage inertia and inflation persistence. Indeed, present levels of real wage growth should be compatible with lower nominal wage growth and inflation. If catch-up clauses cannot be eliminated, they should be linked to core rather than headline inflation to avoid a price-wage spiral following an oil price hike. These changes should be accompanied by other measures that would help to reduce inflation expectations, which are above the 2% reference value, including further liberalisation in some goods and services markets. Moreover, wage negotiations should take into account wage developments in the euro area. The present wage bargaining system is outdated and is too focused on intermediate level agreements at the sectoral and provincial level. As such, it does not allow for sufficient wage differentiation across firms, while the possibility of firms to opt out of sectoral wage agreements is very limited. Greater decentralisation of bargaining, which has been debated but never implemented, is needed. Higher level agreements could still play a role, as negotiations in small firms may be costly, but the clause that obliges all firms to adhere to higher level agreements should be substituted by an opt-in clause. If this is not feasible, at least opt-out clauses should be made more flexible and not be limited to wages, but extended to other matters. ■

## Which reforms would cool the housing market?

Cooling the property market is another important task. A narrowing of the inflation differential with the euro area would help, as it would lead to higher real interest rates. However, easing the pressures in this sector also means improving the way it operates, and this will first and foremost involve developing the rental market which is much too limited, whereas the proportion of unoccupied homes is very high. A plan has been adopted to alleviate the tensions in the housing market. These measures go in the right direction, but they need to be complemented by additional reforms. For instance, new tax incentives to encourage rental supply and demand were recently introduced, but gradually abolishing the various forms of assistance to home ownership would be more effective as these tend to push up property prices, have a high budgetary cost and debatable redistributive effects. Improving the legal position of tenants and owners, and reducing the minimum 5-year duration of rental contracts would also contribute to a better utilisation of the housing stock and help to build up private rental supply in a less costly way than by means of the incentives adopted. Such measures should be accompanied by more flexible town-planning regulations at the local level, while the compulsory transfer of 10% of developable land sold to the municipalities should be abolished, to do away with the incentives for these authorities to keep the price of land high. In addition, the cost effectiveness of the present system of low-cost housing subsidies, which rests to a large extent on the sale of homes below the market price, warrants scrutiny. Letting rather than selling low-cost dwellings could be envisaged as a way of solving access problems for a growing number of households because of increasingly unaffordable prices, but it would probably be better to facilitate access to the private rental market for disadvantaged groups by introducing a system of housing vouchers for tenants. ■

## How can productivity be enhanced?

Improving the sluggish labour productivity performance is key for accelerating the pace of convergence with the leading OECD countries. Labour productivity growth has been dragged down by a composition effect as a large number of low-skilled workers entered the labour market. However, the slowdown is pronounced and suggests that other factors are at work, in particular labour market institutions, which do not provide strong incentives to raise productivity, and problems arising in the education and training system. These have adverse effects on R&D (Research and development) activities and the absorption of new technologies, and have also weighed on equipment investment, resulting in a lower capital-output ratio. In all these areas there is wide scope for improvement and the government's objective to raise performance in many of these domains is well placed, even though the results of such reforms will no doubt take time to be visible.

Labour market reforms would have a positive effect on productivity performance. One of the most harmful features of the labour market affecting productivity is its segmentation between permanent workers, who are protected by very high severance payments, and a large number of temporary workers with little employment stability. This duality not only raises equity issues, but also limits productivity gains as both job training for temporary workers and incentives to become more efficient for permanent workers are low. Although fixed term contracts have contributed to job creation, segmentation also generates incentives for developing low-technology sectors, which are those that benefit most from temporary employment, and can discourage re-organisation within firms to exploit new technologies. Hence, the long overdue task of reducing labour market segmentation by lowering the cost and uncertainty of employment protection for permanent workers remains crucial, and should be accompanied by efforts to apply current legal limits for the renewal of temporary contracts, which are abused in practice. The existing subsidies for many new permanent contracts are expensive as they incur a high deadweight loss and should be seen, at best, as a temporary solution. ■

## How can education and R&D activity be stimulated?

Human capital is also key for lifting future productivity growth. Educational attainment has improved dramatically over the past two decades, suggesting that the potential for higher growth is there. While rigidities in the labour market impede the full exploitation of human capital, there is also much scope for further improvement in several areas. Early childhood education is limited for very young children and could benefit from additional public help in the form of fiscal incentives, which would also encourage participation of women in the labour market and higher fertility rates. In compulsory schooling, poor quality has been highlighted by the OECD's international PISA tests. Addressing poor education outcomes is the main objective of ongoing school reforms. Apart from pedagogic changes, priority should be given to measures that grant greater autonomy to schools, allowing them to experiment and adapt to local conditions and sharpening incentives, including economic incentives for teachers linked to training and performance. Participation in upper secondary education is low, especially in low-income regions. Lifting the liquidity constraint that affects the less well-off students would help to raise participation and would accelerate convergence across regions. Vocational training is also underdeveloped and needs a decisive push to increase its prestige, while also raising resources, including more enterprise-based training. In university education, there is little competition for excellence across university departments, while selection mechanisms for teaching staff tend in some cases to favour internal candidates. Linking university financing to clear performance criteria instead of block grants should improve education and research quality, and in this respect the newly created agency for the evaluation of universities could be a useful tool. A sizeable rise in university fees, while providing flexible payment mechanisms for students with liquidity constraints, such as income-contingent loan repayments, would not only be justified by equity reasons, but would also provide more resources for universities and introduce incentives for students to make the most of their studies.

Convergence would also be fostered by a more rapid take-up of new technologies. The share of output of high-tech sectors is low and the export structure of the new EU (European Union) countries is approaching that of Spain. Investment in ICT (Information and communication technology) equipment, which is a potent driver of productivity improvements within firms, is weak, while other ICT indicators are also relatively poor. Increasing the use of ICT in the private sector would probably require enhancing human capital and fostering R&D activities, which have complementarities with the use of new technologies. R&D spending and output indicators are well below those of the best-performing OECD countries, especially in the private sector. The authorities are aware of these shortcomings, and have programmed substantial increases in public funds for R&D for the coming years. However, it is also important to establish better framework conditions to make the most of public R&D spending:

- First, public funds for R&D should be scrutinised regularly to assess their potential social returns and to redefine priorities, so that public money funds R&D activities with clear and high externalities rather than providing mere industrial subsidies with weak links to R&D. An independent agency could play this role.
- Second, an adequate financial and tax framework for risky R&D projects has been implemented, but venture capital for technology start-ups has not taken off and requires the development of a better financial and management culture. Government equity programmes that allocate some public funds to these projects could help to develop this culture.
- Third, encouraging further the formation of clusters for technology firms as intended by the authorities, is a cheap and effective way of promoting R&D activities, especially for small firms.
- Fourth, the status and remuneration of young researchers should be raised, while job mobility and flexibility should be improved to increase the links between private and public research. ■

## How can participation and employment be encouraged?

Although job creation has been very rapid over the past ten years, the unemployment rate remains high and requires other labour market reforms. In this respect, improving active labour market policies and the public employment service should become a priority. This should be accompanied by continuous efforts to provide adequate resources to employment services, improve the efficiency of counselling and training measures for the unemployed and undertake independent evaluation of different policies. At the same time, conditionality of unemployment benefits on participation in active job search, which is required by law but only loosely applied, should be enforced to reduce unemployment spells. To increase female participation, work schedules should be better aligned with family needs, *i.e.* by promoting flexibility in timetables, part time contracts and substitution of split-shifts by a continuous working day. These reforms, together with those of the wage bargaining framework and employment protection, should be designed in a comprehensive way so as to take advantage of political economy aspects of reform. In this regard, the "Declaration in favour of social dialogue" signed in July 2004 by the government, employers and unions provides a window of opportunity to make further progress with labour market reforms. ■

## What are the main fiscal policy issues?

Concerning the public finances, the authorities are confronted with three main challenges.

- First, the macroeconomic policy framework needs to ensure not only sound public finances, but also that a pro-cyclical fiscal stance is avoided.
- Second, good framework conditions need to ensure that the wide-ranging transfer of spending and tax responsibilities to the regions leads to a sound

management of their resources, while balancing costs and benefits at the regional level when providing new services.

- Finally, a coherent strategy will need to be implemented to guarantee the long-term sustainability of public finances, with particular attention to the public pension schemes.

The fiscal consequences of ageing provide a strong reason for reducing public debt more quickly ahead of the ageing shock as a complement to a pension reform. This could be achieved by balancing the budgets of central and regional governments over the cycle, while accumulating the surpluses of the pension schemes. ■

## What challenges does decentralisation pose?

Following the rapid decentralisation to the regions since the early 1980s, the sub-national authorities now have more staff to manage than does central government and have responsibility for spending on education, the social services and health. Decentralisation has not compromised fiscal stability, and has enabled regional governments to provide better-tailored services. Nevertheless, it has also resulted in a rapid increase in government employment, and has undermined cost-effectiveness in a number of domains, creating pressures on public spending. Rapid decentralisation has, for instance, been accompanied by a fragmentation and a loss of information. It will be necessary to develop proper information systems on sub-national governments' policies and outcomes to foster fiscal discipline. Sub-national government accounts are available only with a significant lag and the use of off-budget operations through public enterprises controlled by the regions or municipalities has expanded. In addition, although anecdotal evidence suggests that regional governments have implemented innovative policy options in some areas, in particular health care, there is a lack of consistent and reliable information on such policies and outcomes. Thus, the diffusion of best practice is limited, the lack of co-ordination between and across levels of government results in an inefficient use of public facilities, while citizens cannot easily benchmark their own governments against others and press for a more efficient public sector. The government is committed to improving the quality of information for public services – a National Agency for the Evaluation of Public Services' Quality and Public Policies is to be created. To be effective, this agency, as others recently created (*e.g.* for health care or universities), should have sufficient resources and be independent from the government so as to raise acceptance and credibility. Indicators, consistent for the whole territory, should be defined and made public so as to foster benchmarking. In this context, central and regional governments' recent agreement within the Consejo Interterritorial de Salud not to disseminate regional data for hospital care waiting lists is a step in the wrong direction.

The new financing arrangement for the regions is commendable in many respects. Most importantly, it has brought the regions' revenue-raising powers more in line with their spending responsibilities and intergovernmental transfers have been redesigned so as to mitigate moral hazard problems. It should thus contribute to secure fiscal discipline at the regional level. Although the new financing arrangement is rather recent, the government is currently assessing its implementation, and a discussion on some of its main features is underway within the Council for Fiscal and Financial Policy, where both the central government and the regions are represented. To deliver its full benefits, the new financing model should make fully operational its mechanisms to make it sustainable in the face of demographic developments, in particular immigration and the prospects of population ageing. More specifically, the financial resources provided by the new financing arrangement should follow more closely the net fiscal effect of these changes. A careful examination of the best approach to finance the likely increase in regional spending over the long term because of population ageing should be carried out, with the objectives of: avoiding large distortion associated with labour taxes; underpinning regional governments' incentives to act in a cost-conscious way; and ensuring that regional governments' revenue raising powers are used and adequate to deliver a sufficient standard of public services to all citizens. In addition, the redistributive bias in allocating central government investment across the regions should be reconsidered, as distributive goals can be achieved by better instruments. At the municipal level, the existence of many very small municipalities argues in favour of a cautious approach to the transfer of new spending responsibilities. Their financing should however be improved by reconsidering the local business tax, which is paid only by relatively large companies and could hinder the growth of enterprises or create a risk of tax avoidance, while increasing local governments' reliance on the real estate tax. This would require upgrading the land and property register.

To maintain fiscal discipline in the decentralised framework, a Fiscal Stability Law was implemented in 2003 with the objective of keeping the accounts of all levels of government, taken individually, permanently in balance. While it has the advantage of being simple and easy to convey, this rule is nevertheless formulated in too rigid a manner and could result in fiscal policy playing a procyclical role. The new government will amend the fiscal rule so as to maintain fiscal balance over the cycle, rather than in each year. Applying this principle seems relevant for central government and all the regions, given their tax and expenditure assignments. They will be allowed to post deficits during cyclical troughs but will be required to produce surpluses when activity is buoyant. In the case of the local authorities, on the other hand, changing the present system does not appear necessary because their budgets are not very sensitive to the economic situation whereas maintaining structural surpluses would be preferable in the case of the social security system. The specific sharing of overall fiscal targets between the different regions needs to be based on a consensual approach of collective surveillance so as to avoid having to resort to sanction mechanisms which appear difficult to implement. It would nevertheless be worthwhile continuing to require the regions to present a medium-term fiscal adjustment plan in the event that they significantly miss their targets. It is vital to ensure that the new norm does not *de facto* weaken fiscal discipline and that it is applied equitably to all the regions, whatever their size. ■

## How can the sustainability of the pension system be guaranteed?

While lower public debt and rising employment contribute to ensure sustainability of public finances, the sustainability of the pension system is not guaranteed over the long term. The impact of ageing will be felt later on but more acutely than in other OECD countries, because it will be more pronounced than elsewhere and because the parameters underlying pension calculations are more generous – even if the average level of pensions is low at present. On the basis of favourable assumptions of increased immigration and employment, pension spending could rise by almost 8 percentage points as a proportion of GDP by 2050 if the generosity of the system remains unchanged, *i.e.* if the number of pensions received per person aged over 65 and the average benefit relative to productivity remain stable. Reforms are needed concerning both receipts and benefits. This was acknowledged in the Toledo Pact, but little progress has been made with reforms in recent years. However, in the context of the "Declaration in favour of social dialogue" signed in July 2004 a negotiation process has already started that will tackle pending challenges outlined in the Pact. Raising the level, or number of years of contributions to certain schemes, such as that for the self-employed, would be welcome. However, the average level of pensions compared to per capita GDP will have to be lowered by some means to contain the rise in pension outlays. The parameters underlying pension calculations will have to be revised to at least ensure that the discounted value of old-age pensions is not higher than the sum of the corresponding contributions, making the system actuarially fair considering that the revised parameters will only apply to future generations of pensioners affected by the demographic shock. This could mean basing pensions on earnings over an entire career instead of the last fifteen years, or reducing the average rate of accumulation of pension entitlements, but it may also be necessary to means-test revenues of those drawing on more than one pension.

The need for such reforms in pensions will be more limited if the policies designed to boost productivity and employment are effective and fiscal management over the next few years is sound. The employment rate could be raised by reconsidering the rate of accumulation of pension entitlements, which is lower at the end of the career than at the beginning, reducing the incentive to stay in the labour market. Increasing the number of day-care facilities for young children and of health and home care provision for dependent elderly persons, in addition to labour market measures, would also help to raise female employment further. In view of the foreseeable rise in demand for long-term care, there is a need to organise efficient provision with the emphasis on enabling the elderly to remain in their own home. Consideration should also be given to the possibility of running a significant budget surplus over the coming years. Reducing general government indebtedness more quickly and increasing social security assets ahead of the demographic shock in 2015-20 would help to limit the fall in the relative level of pensions so that it remains socially acceptable. The temptation to lower social insurance contributions has to be resisted, despite the surpluses that the pension schemes have posted in recent years, and surpluses should be kept in the social security reserve fund in the years ahead. At the same time the generosity of the tax incentives favouring private pensions should be reconsidered. The net cost of these incentives is high as they appear to mainly affect portfolio allocation and generate little extra saving. ■

## For further information

Further information on the Survey can be obtained from:
Claude Giorno, Tel.: +33 (0)1 45 24 91 11,
email: *claude.giorno@oecd.org*;
Miguel Jimenez, Tel.: +33 (0)1 45 24 87 57,
email: *miguel.jimenez@oecd.org.* ■

## 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*.


- **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 Web site at *www.oecd.org/eco*.

- **Economic Outlook No. 76,** December 2004. More information about this publication can be found on the OECD's Web site at *www.oecd.org/eco/Economic_Outlook*.

**OECD publications can be securely purchased from the OECD Online Bookshop**
*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?

**FRANCE**
OECD Headquarters
2, rue André-Pascal
75775 PARIS Cedex 16
Tel.: (33) 01 45 24 81 67
Fax: (33) 01 45 24 19 50
Email: sales@oecd.org
Internet: *www.oecd.org*

**GERMANY**
OECD BERLIN Centre
Schumannstrasse 10
D-10117 BERLIN
Tel.: (49-30) 288 8353
Fax: (49-30) 288 83545
Email:
berlin.contact@oecd.org
Internet:
*www.oecd.org/deutschland*

**JAPAN**
OECD TOKYO Centre
Nippon Press Center Bldg
2-2-1 Uchisaiwaicho,
Chiyoda-ku
TOKYO 100-0011
Tel.: (81-3) 5532 0021
Fax: (81-3) 5532 0035
Email: center@oecdtokyo.org
Internet: *www.oecdtokyo.org*

**MEXICO**
OECD MEXICO Centre
Av. Presidente Mazaryk 526
Colonia: Polanco
C.P. 11560
MEXICO, D.F
Tel.: (00.52.55) 9138 6233
Fax: (00.52.55) 5280 0480
Email:
mexico.contact@oecd.org
Internet:
*www.ocdemexico.org.mx*

**UNITED STATES**
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
Email:
washington.contact@oecd.org
Internet: *www.oecdwash.org*
Toll free: (1-800) 456 6323

10 2005 06 1 P 4

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

*www.oecd.org/publications/Pol_brief*