



OECD and the United States Sharing experience for better economic policies





Angel Gurría,
Secretary-General
of the OECD

Foreword

The OECD is the result of one of the most generous and inspiring initiatives of the United States: the Marshall Plan. When the financial assistance and the Marshall Plan ended, the cooperation between Europe and the US continued with the birth of the OECD in 1961. Over the next decades, many more countries from different regions in the world joined and made the Organisation a prime forum for policy dialogue.

The OECD's objective has been to make the world economy work better. We set standards and develop best practices for development assistance, education, employment, environmental protection, investment, taxation, trade and in other areas. Drawing on the experience of our 30 member countries, and in dialogue with other major economies, such as Brazil, China, India, Indonesia, Russia and South Africa, our aim is to propose the best economic policy options worldwide.

The US has consistently relied on the OECD to improve multilateral cooperation and as a place to get things done. Be it on bribery, structural reform, investment or governance issues, the US has looked at the OECD to address core issues for the international economy. As a hub for dialogue on global issues, the OECD stands ready to assist the US in these challenging times. Together, we can help build a stronger, cleaner and fairer world economy.

Sincerely

Angel Gurría
Secretary-General
Organization for Economic Cooperation and Development (OECD)

> Some of the **U.S. initiatives advanced** at the OECD



In the early 1970s, with major economies facing stagflation, the United States argued at the OECD for greater attention to the supply side of economies. This led to analysis of “positive adjustment” and “structural adjustment” that has become a staple of the OECD’s work and its recognized comparative advantage.

When the Berlin Wall fell in 1989, the United States put cash on the table and invited other members to match it so that the OECD could assist former Soviet bloc economies with market-oriented reforms. The program was agreed upon in March 1990, and by 1996, Poland, Hungary and the Czech Republic had become OECD members.

In 1989, the United States brought the then novel idea to the OECD of fighting corruption in international business. It was a hard sell at first, but by 1996, OECD countries had agreed on the need to make cross-border bribery a crime. In the space of six months, they negotiated a treaty against corruption in international business, the OECD Anti-Bribery Convention. This treaty came into force in 1999 and provides for rigorous and comprehensive monitoring of how its 37 participating countries comply with its provisions.

In 2005, the United States demonstrated its commitment to the countries in the Middle East and North Africa (MENA)

by supporting the MENA Initiative on Governance and Investment for Development. Under the Initiative, countries in the region have implemented broad reforms to modernize their public governance structures and processes and improved the investment climate and policies.

In 2006, the United States became concerned about a possible increase in protectionist pressures against foreign direct investment. At its instigation, an OECD program on Freedom of Investment was developed, which in 2008 was used to achieve rapid agreement among OECD countries not to discriminate against investments by Sovereign Wealth Funds. This work may become more important as the global economic downturn puts pressure on open trade and investment policies.

In 2007, the United States helped launch Enhanced Engagement programs for Brazil, the People's Republic of China, India, Indonesia and South Africa. Enhanced Engagement is a new platform for dialogue with OECD countries through which selected partners systematically participate in the OECD's substantive

work, thereby paving the way for their possible future membership of the Organization. The US also supported the mandate we received in the Heiligendamm G8 Summit, to act as a platform for dialogue between the G8 and the G5 on issues of investment, development, energy and innovation. At the same time, thanks in no small part to support from the United States, Chile, Estonia, Israel, the Russian Federation and Slovenia opened membership talks with the OECD.

In 2008, the United States played a pivotal role in the establishment of the Partnership for Democratic Governance (OECD/UNDP), a multilateral laboratory, taking shared risks to test new and innovative ways of working in fragile and post-conflict democracies to reinforce the capacity of states to build democratically accountable institutions and to improve citizens' access to key services.

In 2009, as the new Administration sets its priorities for international economic cooperation, the OECD stands ready to help it to amplify its appeal, in cooperation with other member countries and through its extensive contacts with non-OECD countries.



> Some examples of how **the United States** benefits from the **OECD's work**

A link between security and development

The OECD's Development Assistance Committee (DAC) provides a forum for coordinating all major donor countries. The DAC deals with U.S. priorities, such as aid effectiveness, engagement in states with fragile conditions and the link between security and development, providing the U.S. with a platform to foster broader international recognition and support for its aid efforts and policy priorities.

www.oecd.org/dac

More and better jobs

The OECD's reassessed Jobs Strategy has set out policies to deliver more and better jobs. It is now being reviewed to see how they can best offset the impact of recession while remaining consistent with medium-term goals for employment, social cohesion and well-being.

www.oecd.org/els/employment/strategy

Help for emerging and developing countries

In practically all areas of its work, the OECD has programs to help and advise emerging and developing countries on building healthy market economies and improving governance. Significant engagement through OECD's outreach efforts with these countries has helped advance the cause of markets and democracy.

www.oecd.org/ccnm

Managing migration for economic growth

The OECD's annual 'International Migration Outlook' is the leading source of comparable data on migration flows, stocks and policies. Major studies are underway on how best to manage both high-skilled and low-skilled labor migration to support economic growth and to improve the integration of recent migrants and their families.

www.oecd.org/els/migration/imo

Going for Growth

The OECD's analysis and surveillance promote sustainable economic growth by supporting structural and regulatory reform throughout the world. In line with the U.S. trade agenda, OECD promotes open, competitive markets. Its support of the Doha Agenda is designed to advocate the benefits of free trade to all countries.

www.oecd.org/economics/goingforgrowth2008



Healthcare

The OECD is a world leader for data and indicators for benchmarking healthcare performance in developed countries and it is now developing comparable indicators for quality of healthcare. Other areas of work include the economics of prevention and the role of Information and Communications Technologies (ICT) in health innovation. Recently published reports address pharmaceutical pricing and issues raised by skills shortages in the health workforce.

www.oecd.org/health

Export credit savings

The OECD's Export Credit and Tied Aid disciplines promote a level playing field in OECD and non OECD countries. OECD's work setting international standards for testing chemicals saves business and governments over \$70 million annually.

www.oecd.org/ech/xcred/arrangement



Education quality and performance

In education, the OECD provides data for benchmarking U.S. performance against other developed countries and can offer specific advice in areas such as early childhood education, assessment and evaluation for improving school outcomes, teacher performance, adult learning and transition from school to work. The United States has been one of the pioneers of the OECD's Program for the International Assessment of Adult Competencies (PIAAC), through which countries seek to gauge the knowledge and skills of adult populations together with their economic and social returns. The OECD's Program for International Student Assessment (PISA) has become the "gold standard" of international educational comparison.

www.oecd.org/education

Corporate governance and social responsibility

The OECD's 'Principles of Corporate Governance' are recognized as the international standard for corporate governance and used around the world to improve accountability, transparency and market integrity. Its Guidelines for Multinational Enterprises are the only government-approved principles for corporate social responsibility. Both were developed in cooperation with business, labor and private organizations.

www.oecd.org/corporate

Fighting bribery and corruption

The OECD Anti-Bribery Convention, which essentially internationalizes the U.S. Foreign Corrupt Practices Act, helps to level the playing field for U.S. business around the world.

www.oecd.org/daf/nocorruption/convention

Promoting competition

At the OECD, the Department of Justice and FTC co-operate with their counterparts worldwide to promote competition, fight cartels, review the impact of mergers and acquisitions on competition and smooth the way for international business mergers and investments.

www.oecd.org/competition

Assessment of agricultural policy support

The OECD provides the only internationally recognized cross-country assessment of agricultural policy support, covering OECD countries and a growing number of emerging economies. A wide range of agricultural policy issues are studied, often clearing the way for negotiations in the WTO and elsewhere: the U.S. Government has cited OECD analysis to support its position in the Doha Development Round of trade talks.

www.oecd.org/tad/support and

USTR Schwab in Wall Street Journal editorial, 29 June 2006

Open, competitive markets

OECD analysis helps to improve public understanding of both the benefits and the challenges of opening markets and expanding global trade. Amid uncertainties surrounding current WTO negotiations, the OECD is increasing its public advocacy efforts while addressing future global challenges to the multilateral system, in particular trade in services and non-tariff measures.

www.oecd.org/trade

Nanotechnology

The OECD is working to foster international co-operation on the responsible development of nanotechnology in order to help countries draw maximum economic and social benefits from this promising technology.

www.oecd.org/sti/nano

Security for information technology

The OECD has done pioneering work on increasing the security of information networks and developed a series of Information Technology “rules of the game” that build security and trust for the on-line environment. Examples of high profile work include the OECD Spam Task Force; fighting online identity theft; internet traffic exchange; and work on privacy.

www.oecd.org/sti/security-privacy

OECD model tax treaty

The OECD’s model tax treaty and transfer pricing tax work facilitate trade and investment while helping avoid double taxation, while its work on transparency and exchange of information for tax purposes helps governments, including the U.S. Government, to fight tax evasion and the abusive use of tax havens.

www.oecd.org/ctp/tt

Biosecurity

The OECD has launched an initiative to share information on biosecurity to help promote responsible stewardship in the biosciences and to avoid the potential abuse of research and resources. The OECD is conducting research on the harmful effects of counterfeiting on governments, business and consumers, focusing on counterfeit and pirated products as well as patent and design infringements.

www.oecd.org/sti/biotechnology

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The OECD Washington Center

The OECD Washington Center serves as an information center for the U.S. and Canada. The Center is engaged in public outreach activities and acts as a liaison office to the U.S. government.

The following services are available:

- + A library of OECD publications is open to the public, allowing viewing of various statistical files and searching the OECD Online Bookshop and SourceOECD, OECD's Online Library.
- + Advice to U.S. government officials and the public on how to locate specific OECD information and contact OECD experts.
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OECD Headquarters
2, rue André-Pascal
75775 Paris Cedex 16
France
Tel: 011-33-1-4524-8200
Fax: 011-33-1-4524-8500

www.oecd.org

OECD Washington Center
2001 L Street NW, Suite 650
Washington, DC 20036-4922
United States
Tel: 1-202-785-6323
Fax: 1-202-785-0350

www.oecdwash.org

United States Mission to
the OECD
12, avenue Raphael
75016 Paris France
Tel: 011-33-1-4524-7477
Fax: 011-33-1-4524-7480

www.usoecd.org

