



# Economic Policy Reforms: Going for Growth 2018

An opportunity that governments should not miss

Buenos Aires, 19 March 2018

<http://www.oecd.org/eco/going-for-growth/>



 @OECDeconomy

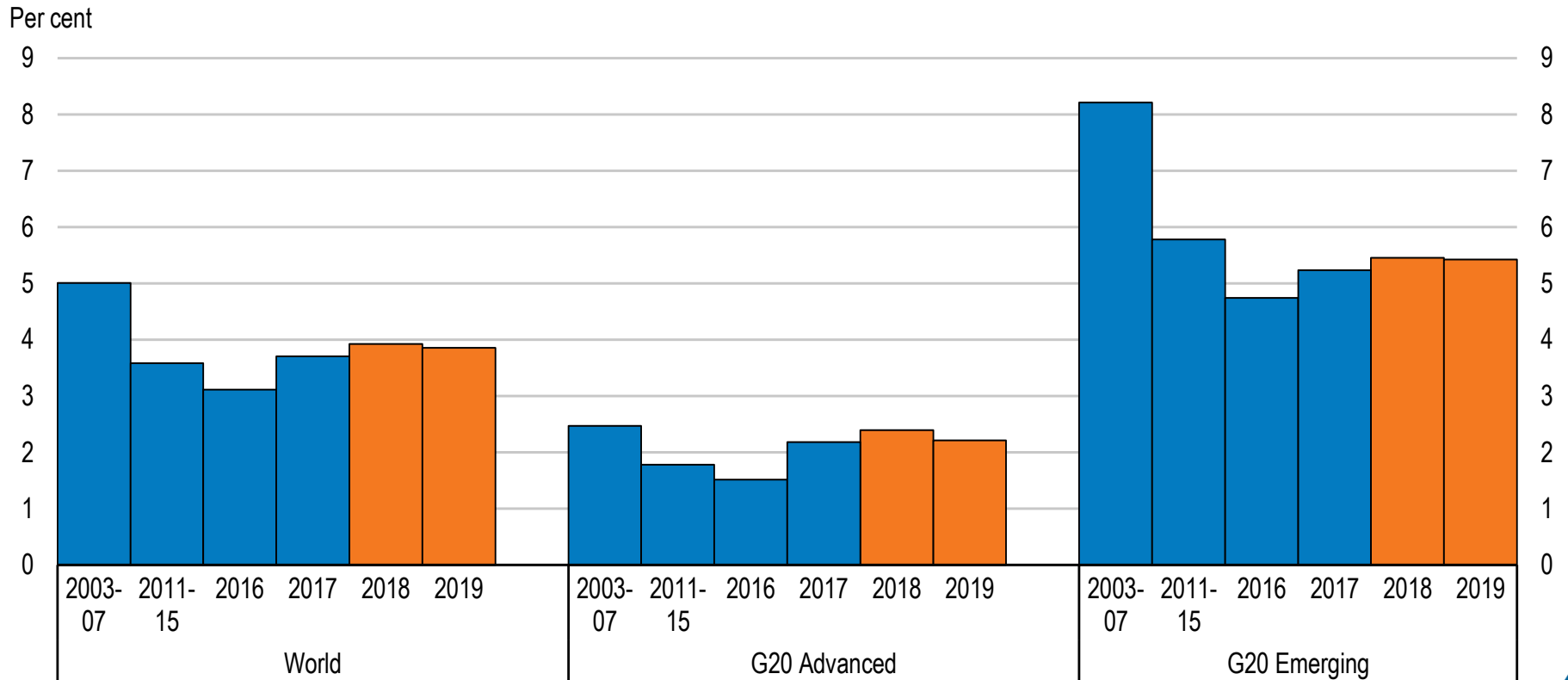
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# Global growth is back to cruising speed

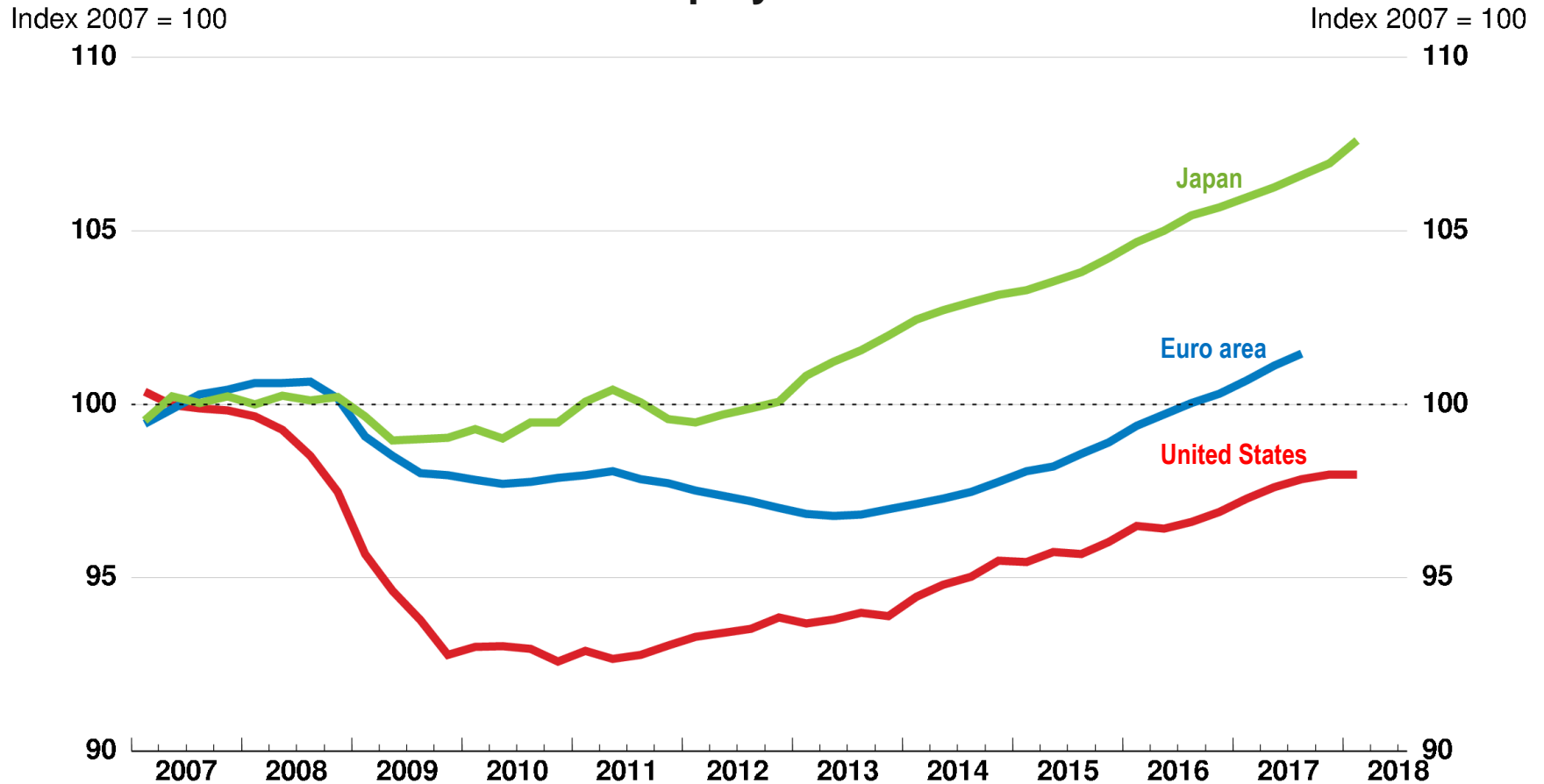
## Real GDP, year-on-year growth





# Jobs are being created

## Employment rate

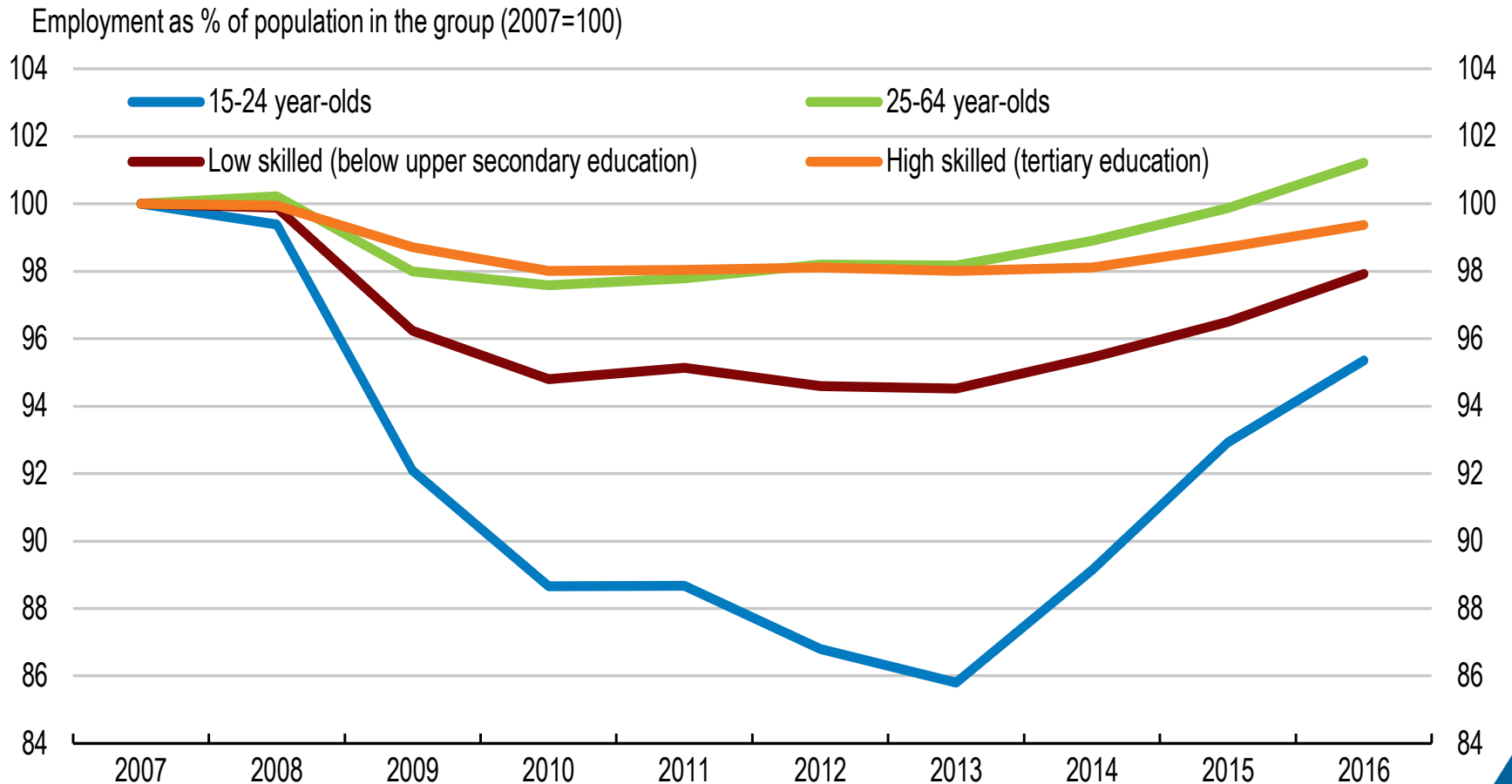


Note: All persons aged 15-64 years.  
Source: OECD Short-Term Labour Market statistics; and OECD calculations.



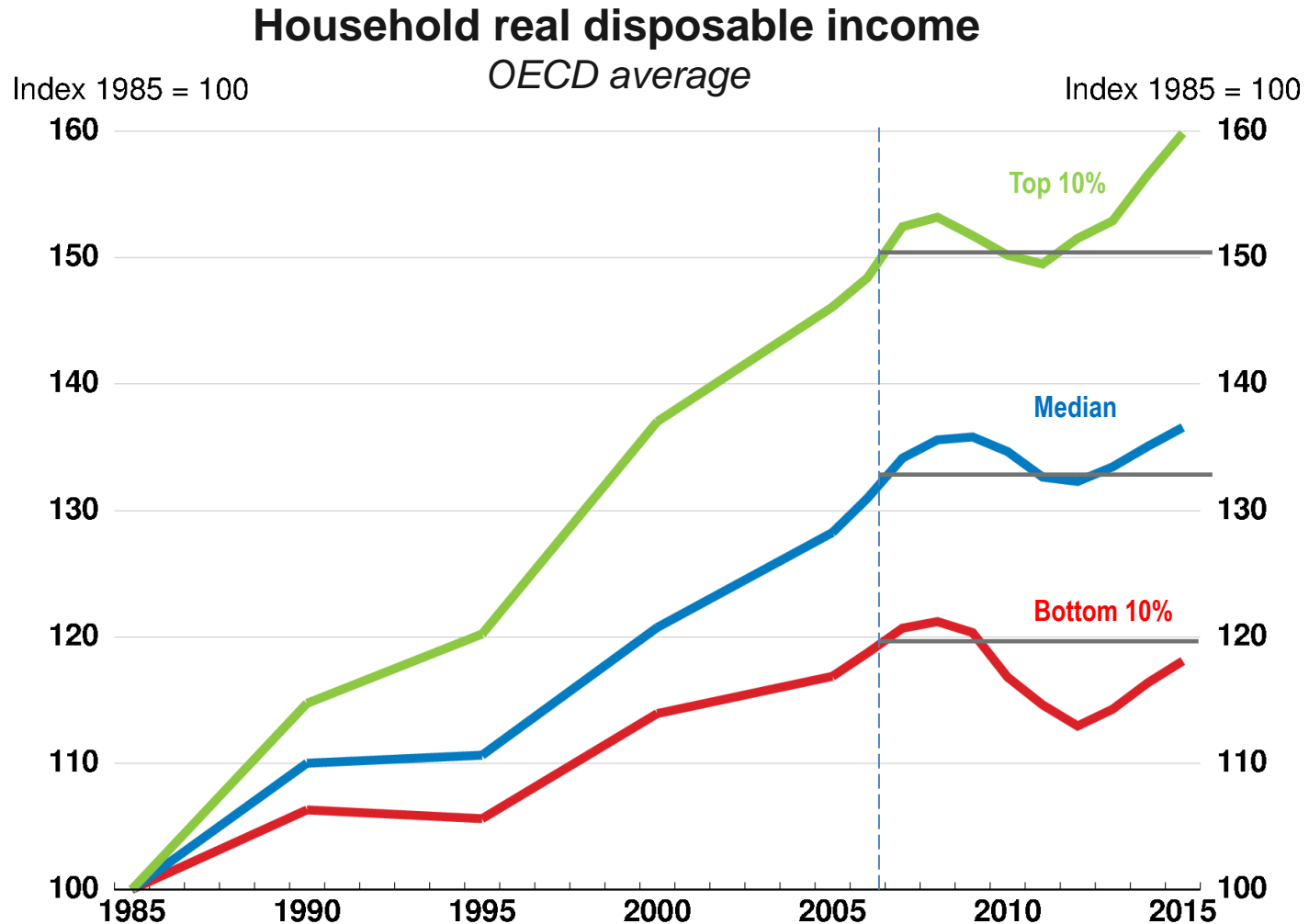
# More rapid job gains are benefiting all groups

## Employment rate





# But most people in many OECD countries have seen little or no income growth for a decade



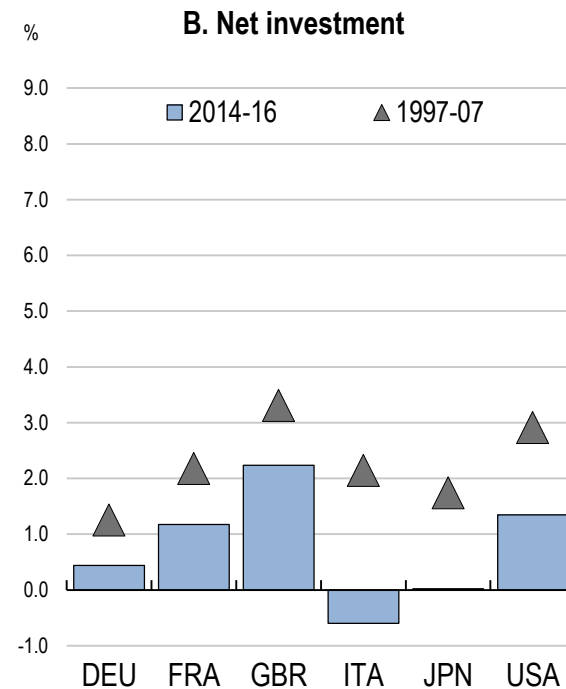
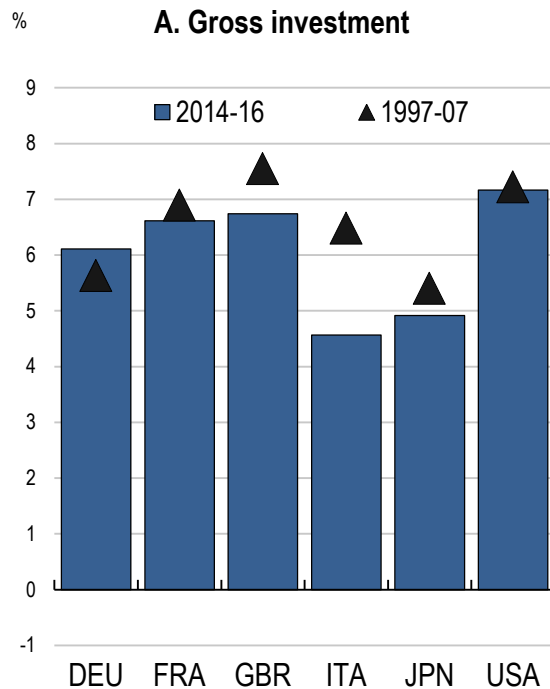
Note: The OECD average is a simple average of the 17 OECD member countries for which data is available for the whole period.

Source: OECD Income Distribution database; and OECD calculations.



# Gross investment is coming back, but net investment is still weak

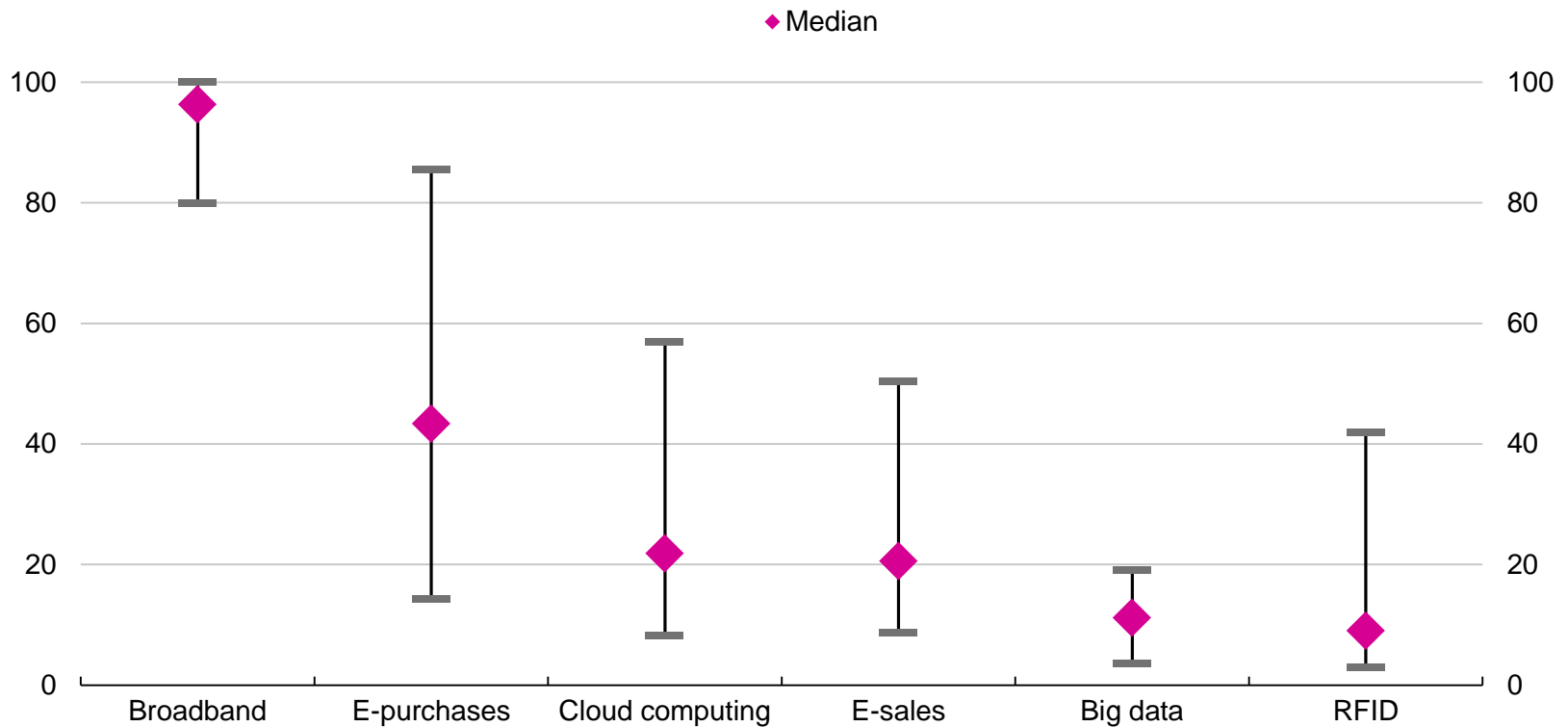
Rising depreciation rates are holding down net investment in productive capital  
Investment as per cent of productive capital stock





# The take-up in digital technologies is uneven

Diffusion of selected ICT tools and activities in enterprises,  
*OECD countries, 2016*



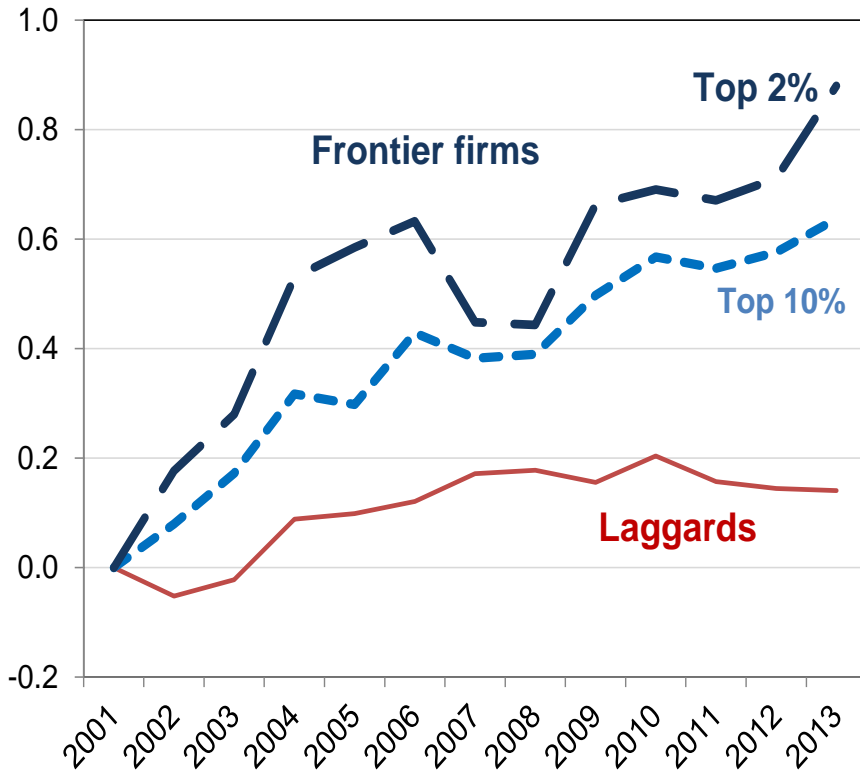
Note: Radio frequency identification (RFID) is a technology that enables contactless transmission of information via radio waves. RFID can be used for a wide range of purposes, including personal identification or access control, logistics, retail trade and process monitoring in manufacturing. For RFID, data refer to 2014.



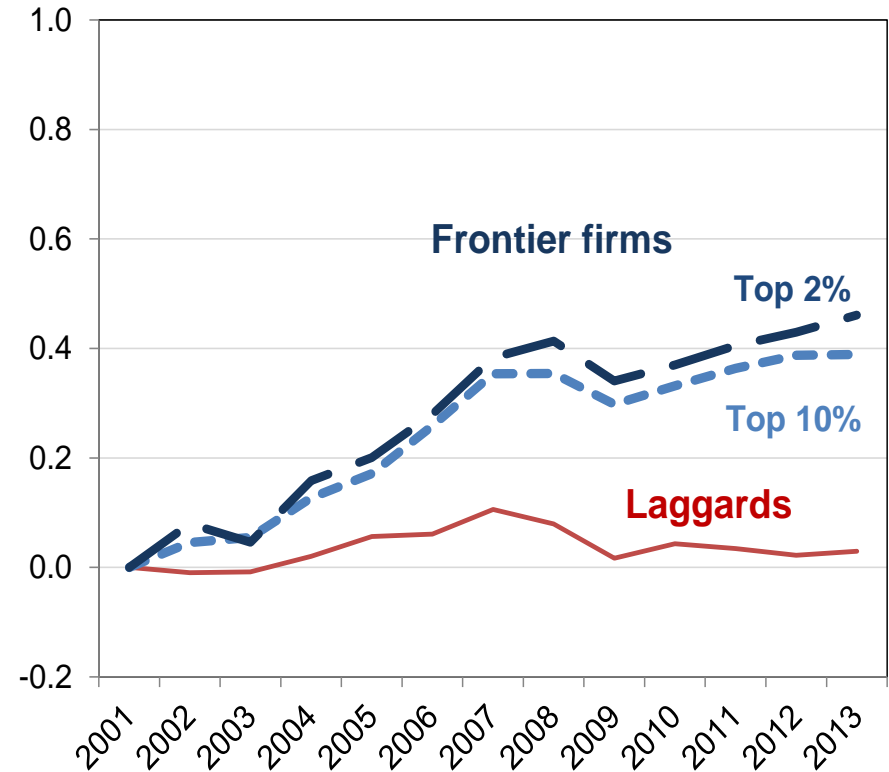
# The widening productivity gap - particularly in digitally-intensive services

Average of MFP across 2-digit sectors (log, 2001=0)

ICT-intensive services



Non ICT-intensive services



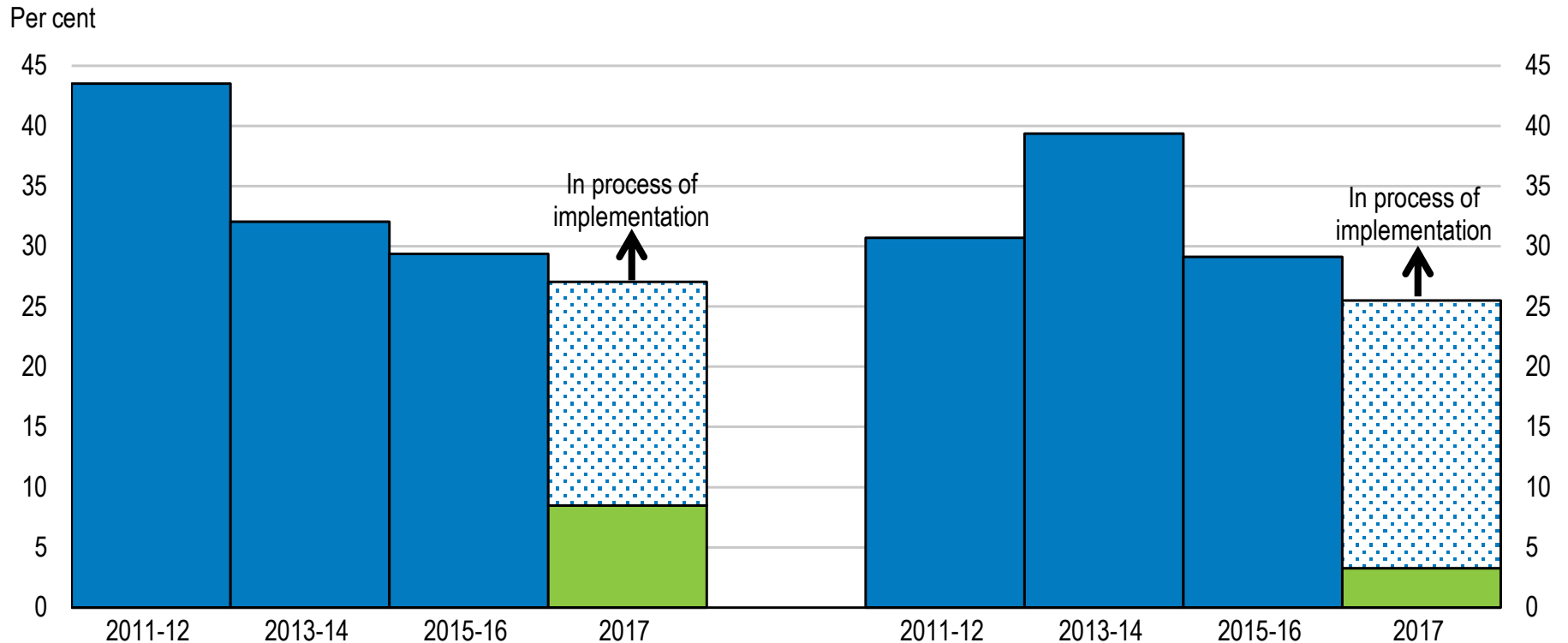




# The pace of structural reform is modest

## Responsiveness rates to Going for Growth recommendations

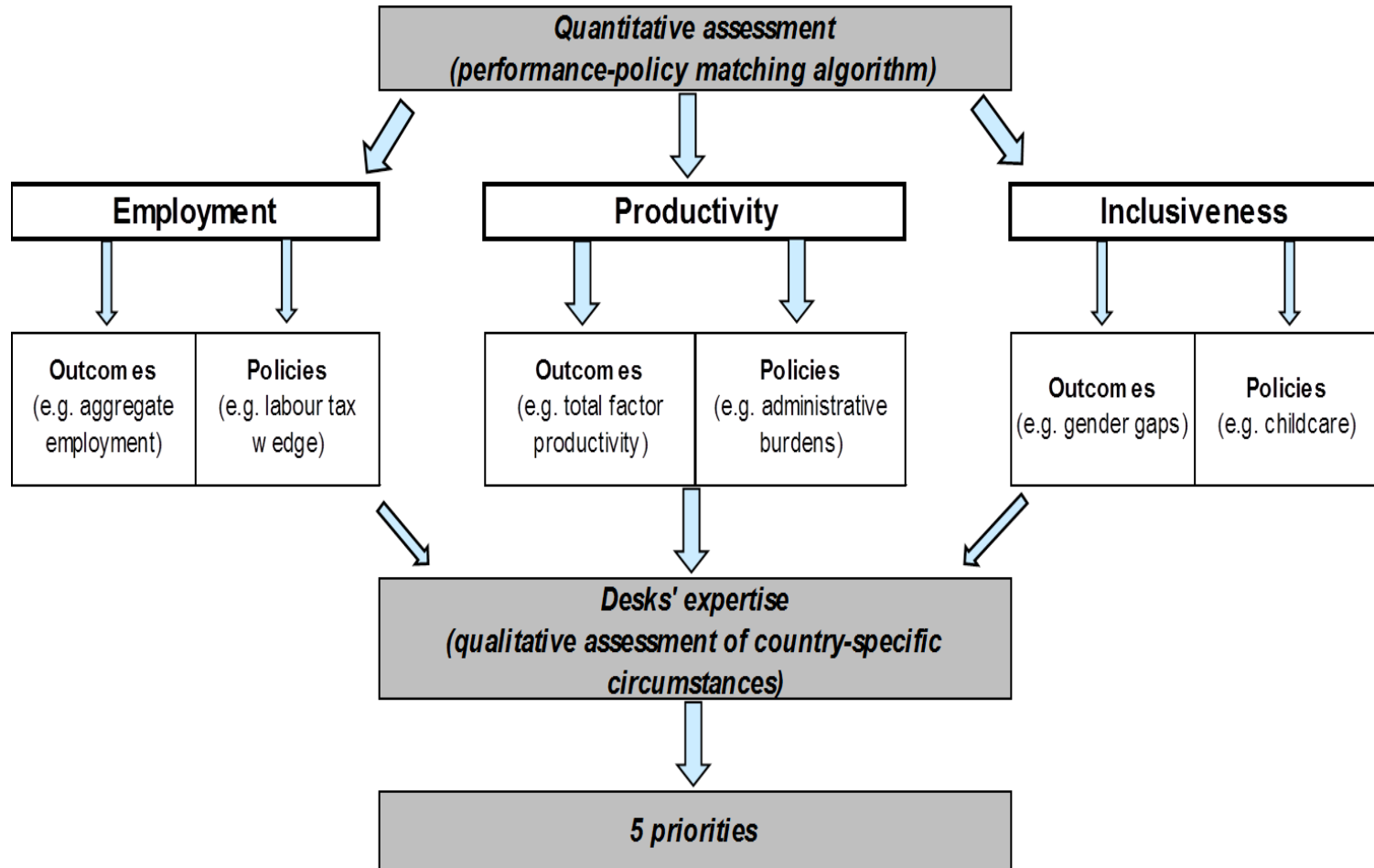
*Fully coloured bars refer to the share of fully implemented reforms*



Note: The estimated rate of responsiveness is captured by the Going for Growth indicator of reform responsiveness. For 2017, reforms in the process of implementation are included to ensure comparability with previous two-year periods. Emerging economies include Chile, Mexico, Turkey, Argentina, Brazil, China, Colombia, Costa Rica, Indonesia, India, Russia and South Africa. Advanced economies include all non-emerging OECD member countries and Lithuania.



# The Going for Growth priority selection framework





# 3 broad categories of recommendations

## Firms

*Promote business dynamism and the diffusion of knowledge*

- Barriers to entry, competition, exit, trade and FDI,
- Structure and efficiency of the tax system,
- Legal and physical infrastructure

## Skills

*Unlock skills development and innovation capacity*

- Primary and secondary education
- Higher education and VET
- R&D policies

## Workers

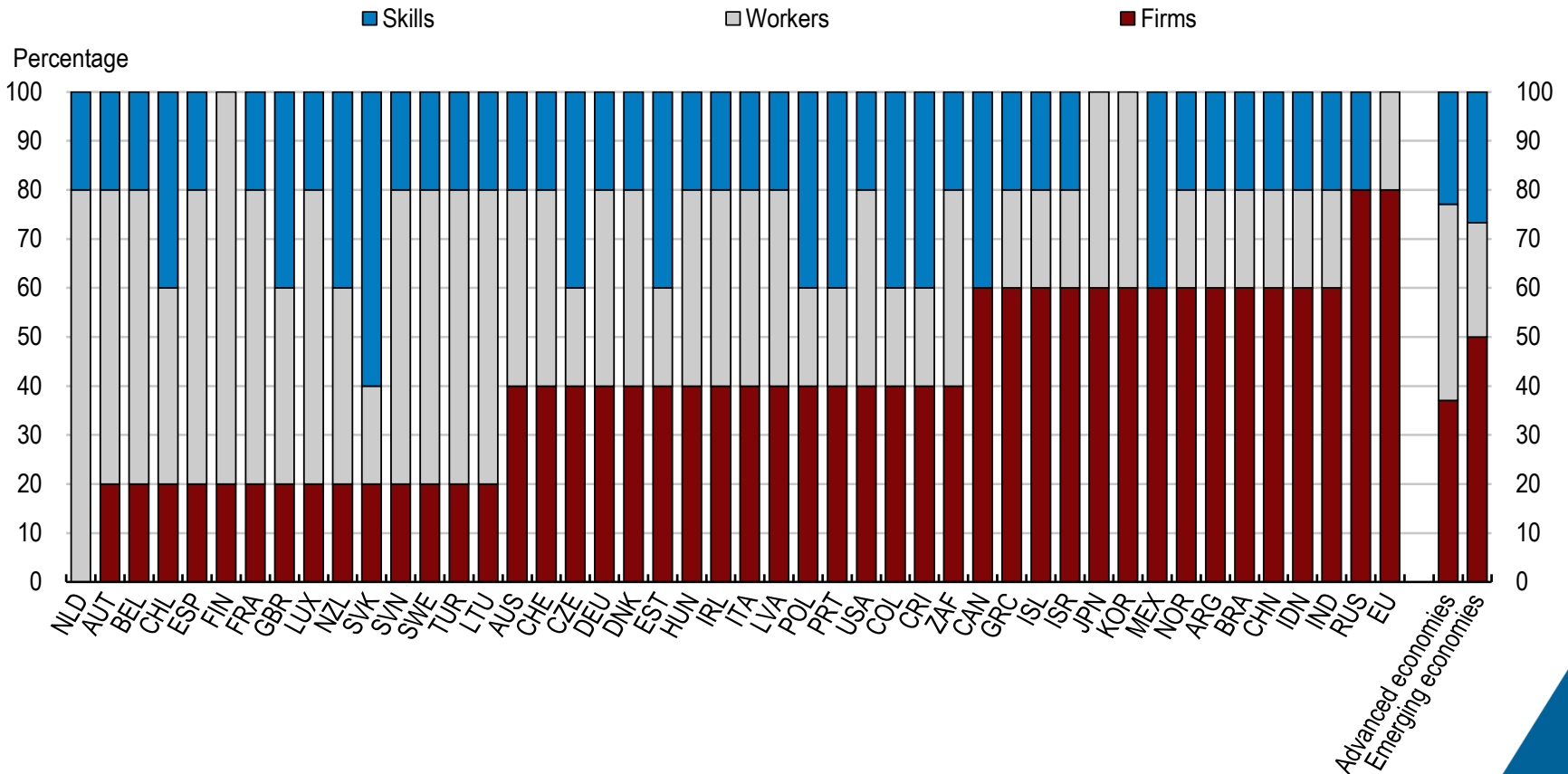
*Help workers benefit from a fast-changing labour market*

- A more inclusive labour market (gender, migrants, low-skilled, etc.)
- ALMPs and social benefits
- Labour mobility and health sector
- Labour market regulation



# GfG 2017 priorities to achieve strong, inclusive growth remain valid

## Going for Growth 2017 reform recommendations



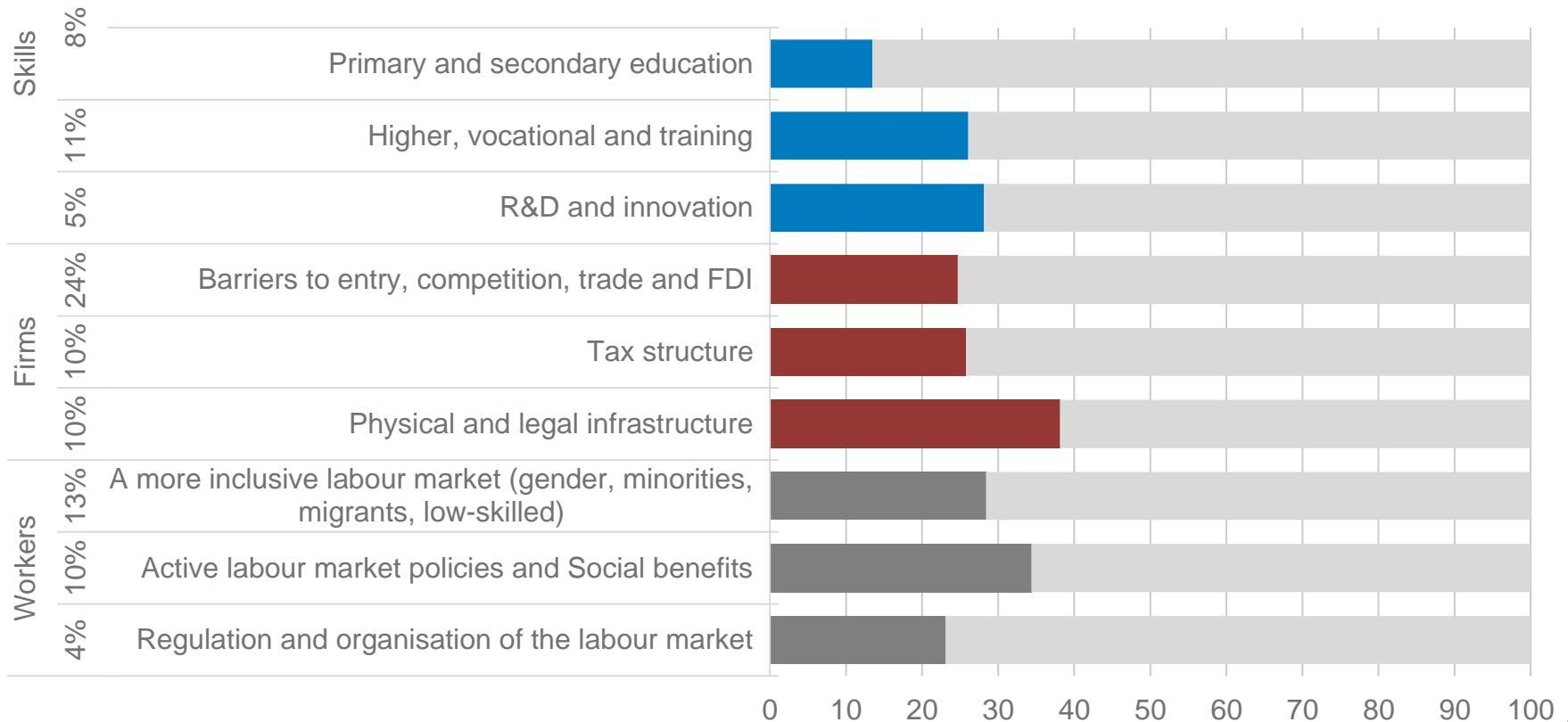


# Reform progress is slow on education

## Reform intensity by area

Share of implemented Going for Growth recommendations, selection of largest reform areas

■ Fully implemented and in process of implementation    ■ Limited steps or no action taken



Note: share of recommendations in total recommendations presented on the left margin.



# Some significant actions were taken (examples)

Firms

*Promote business dynamism and the diffusion of knowledge*

**Countries with significant actions  
taken (including in-progress)**

**Tax structure**

**ARG, IND, PRT  
NOR, USA**

**Physical and legal infrastructure**

**IND, IDN, GBR  
ITA, MEX**

**Barriers to entry, exit, competition, trade and FDI**

**(small) measures in  
a large number of countries**



# Some significant actions were taken (examples)

Skills

*Unlock skills development and innovation capacity*

**Countries with significant actions  
taken (including in-progress)**

**Primary and secondary education**

**FRA**

**Higher education and vocational education  
and training (VET)**

**(small) measures in  
a number of countries**

**R&D policies**

**(small) measures in  
a number of countries**



# Some significant actions were taken (examples)

Workers

*Help workers benefit from a fast-changing labour market*

**Countries with significant actions  
taken (including in-progress)**

**A more inclusive labour market (gender, minorities,  
migrants, low-skilled...)**

**JPN, KOR, DEU**

**Active labour market policies and social benefits , health and  
mobility**

**GRC, ITA, CHN, GBP, FIN**

**Regulation and organisation of the labour market (EPL,  
minimum wages, wage bargaining, taxation)**

**FRA, KOR, HUN, TUR**

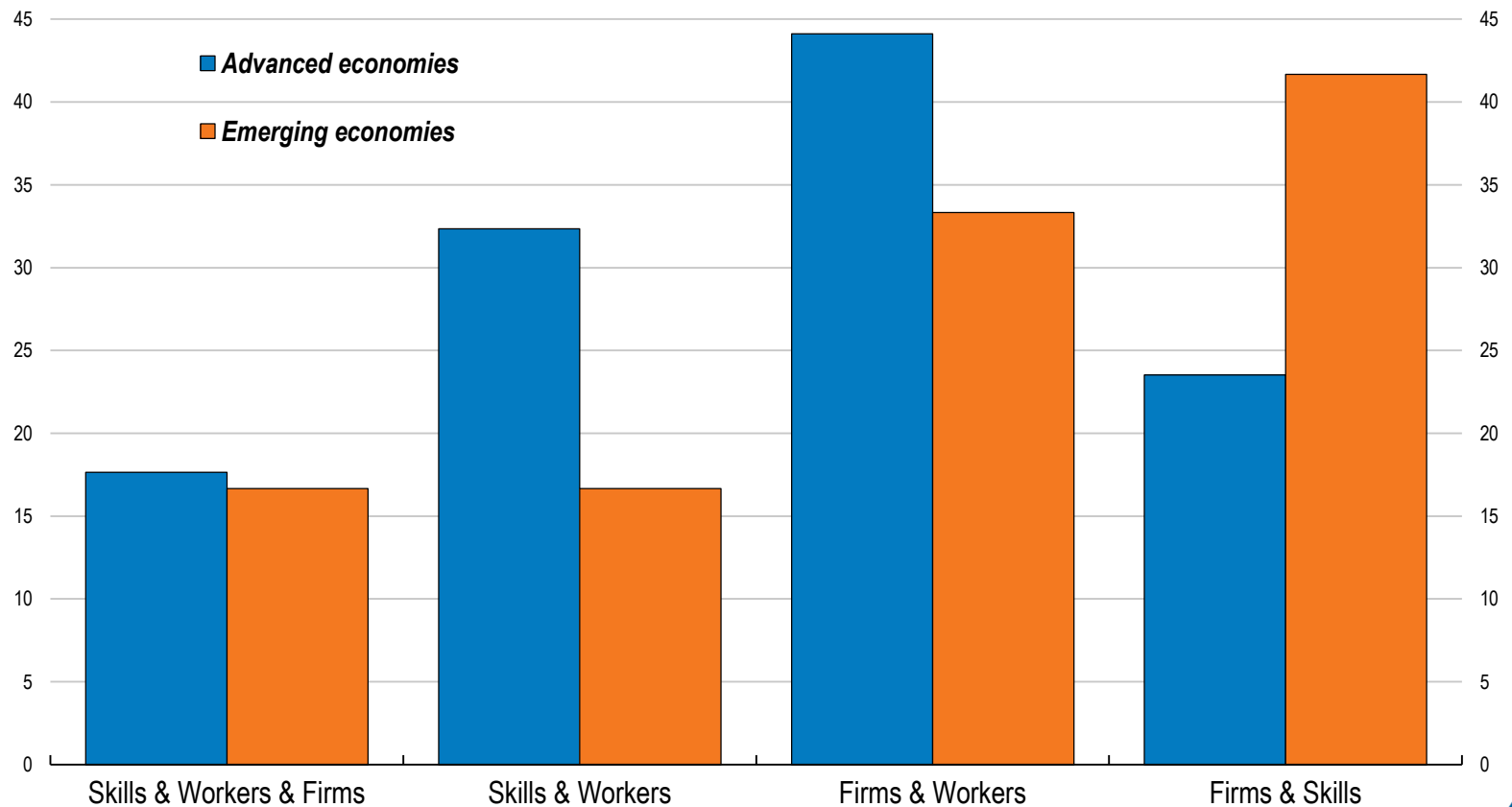




# Reforming across several dimensions can bring synergies

## Actions taken across several areas of Going for Growth recommendations

*Fully implemented and partially implemented reforms, share of all countries (%)*

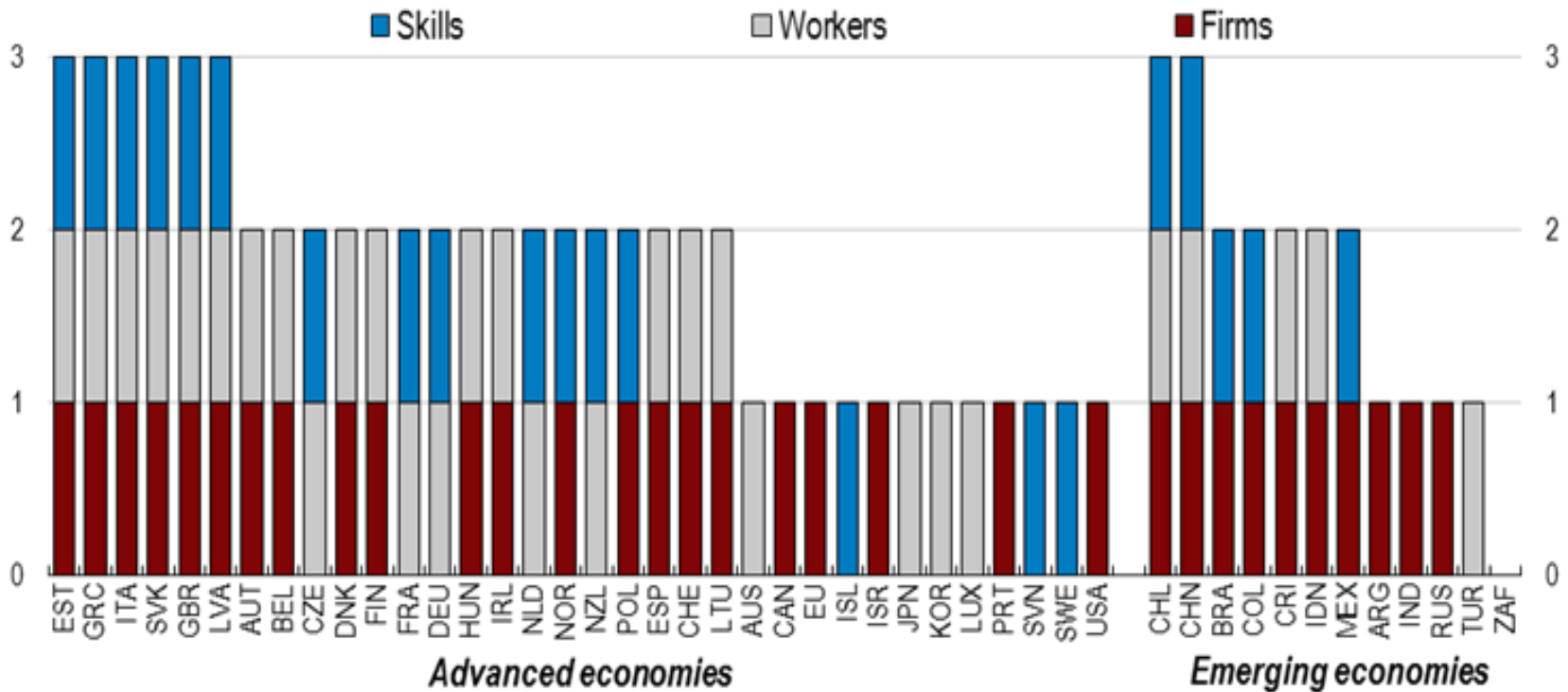




# Countries tend to reform across several areas

**At least one action taken on each recommendation category**

*Fully implemented and partially implemented reforms, share of all countries (%)*





# OECD Going for Growth 2018: Main findings

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- Favourable economic conditions for reforms should not be wasted.
- In 2017, the pace of reforms is modest in both advanced and emerging economies, but some bold actions have been taken.
- The intensity of reforms has varied across policy areas:
  - In promoting business dynamism and knowledge diffusion (“firms”): several significant measures on infrastructure and taxes but less on barriers to entry, competition, exit and trade.
  - Not much in boosting higher education and innovative capacity (“skills”),
  - Significant reforms in helping workers to cope with potentially rapid changes in jobs and tasks (“workers”).
- A coherent reform strategy is crucial to reap synergies, manage trade-offs and ensure that the benefits are broadly shared over time.



# For more information

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