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Organisation de Coopération et de Développement Économiques
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COUNCIL

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Meeting of the Council at Ministerial Level, 24-25 June 2009

2009 MINISTERIAL CONCLUSIONS

(Adopted at the Council Meeting at Ministerial Level on 25 June 2009)

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English/French

1. On the occasion of the 2009 OECD Ministerial Council Meeting (MCM), under the Chairmanship of the Korean Prime Minister Han Seung-soo, we, Ministers*, assembled in the midst of the worst global financial, economic and social crisis since the Great Depression which is affecting economies throughout the world. We agreed to do all that is necessary to overcome the crisis and go beyond to build a stronger, cleaner, and fairer world economy.

2. The participation in the MCM of the five countries on their way to membership (Chile, Estonia, Israel, the Russian Federation and Slovenia) and the five countries in the enhanced engagement process (Brazil, India, Indonesia, the People's Republic of China and South Africa) is highly appreciated and significant.

3. We welcome OECD efforts, since the launching of its Strategic Response to the Financial and Economic Crisis in 2008, to provide policy analysis and recommendations on macroeconomic and structural issues that will help us achieve a sustainable, healthy recovery.

Road to Recovery

4. Years of unbalanced global growth and major failures in the financial sector and in regulation and supervision were fundamental causes of the crisis. In order to preserve the benefits of an open world economy based on market principles, we express our determination to implement reforms that will improve effective regulations and help prevent future financial crises. National governments and international bodies are already taking strong actions to this effect.

5. While we continue to face many challenges, and economic activity continues to contract, we welcome some initial signs of stabilisation in a number of countries. We trust that the policy responses taken to date in all of our countries will have a positive effect on growth and confidence. We are committed to continuing our collective supportive actions to ensure a balanced and sustainable recovery.

6. Recovery plans should serve people by addressing the social and human dimensions of the crisis, through support for the most vulnerable, including active labour market policies, skills development, income support, effective social safety nets, pensions, education and enhanced training projects. In particular, we intend to counter the risk that job losses lead to a rise in long-term unemployment and focus on the needs of youth and older workers. We have learnt from past experience that measures which reduce labour supply are counterproductive; indeed we will favour policy actions that augment labour supply in the long run. We look forward to further OECD work on labour markets and social policy including effective implementation of the Reassessed Job Strategy, to the meeting of OECD Labour and Employment Ministers in September. In this context, we note the recent approval of the ILO Global Jobs Pact.

7. We have introduced many emergency financial, monetary and fiscal policy measures aimed at restoring confidence in markets and to cushion the impact of the crisis on activity and employment. We reaffirm that these measures should be implemented in a timely and effective manner and should be consistent with the broad objectives to increase long-term growth potential and enhance the well-being of citizens. We discussed the need to prepare, with the support of the OECD in its areas of responsibility, appropriate strategies for unwinding the extraordinary measures taken in response to the crisis once the

* Ministers representing Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Russian Federation, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom, the United States and Commissioners representing the European Commission.

recovery is assured, so that the global economy moves from a policy driven recovery to self sustained growth, contributing to a stronger, cleaner and fairer world economy. Such exit strategies may vary from country to country.

8. We recognise that the necessary measures to address the crisis will add a substantial public debt load in many of our countries. Just as we adjusted fiscal policies expeditiously in response to the crisis, their balance should shift to a sustainable path once our economies are sufficiently strong.

9. We recognise that swiftly implementing structural reforms that enhance the flexibility and productivity of our economies, such as in product and labour markets, will be essential to address the deterioration of our public budgets and the loss in living standards caused by the crisis. We welcome the ongoing OECD analysis and advice on the links between structural reforms and growth drawing lessons from the current and past crises. We also look forward to the results of the OECD Innovation Strategy, as an important source of policy guidance for boosting productivity, competitiveness and growth, and for harnessing innovation to address global challenges.

10. Global prosperity and stability can only be achieved by making the world economy stronger and more equitable in opportunity, so that developing economies become more resilient and less vulnerable to economic downturns, to ultimately achieve the MDGs. It is vital that we support measures to mitigate the impacts of the current recession on the world's poor and vulnerable and that we step up efforts to ensure developing countries are well-placed to participate in the eventual recovery of the global economy. We reaffirm our pledges and commitments on aid volume and effectiveness, policy coherence for development and development financing. In this context, we welcome the Action Plan approved by the Development Assistance Committee (DAC) High Level meeting. We encourage the OECD to continue its work with developing economies.

Green Growth

11. We commit to ensuring that the economic recovery and future economic growth are consistent with sustainable development. We are convinced that the current crisis can act as a catalyst for much needed policy reform, generating both environmental, employment and economic gains. It is with this in mind that OECD Members, as well as Chile, Estonia, Israel and Slovenia endorsed the Green Growth Declaration. This Declaration welcomes OECD analytical contributions for an ambitious, effective, efficient and fair international agreement at the UN climate conference that will take place in Copenhagen at the end of this year, in accordance with the principle of common but differentiated responsibility and respective capabilities. It further welcomes the OECD work on the interface between long-term economic growth and the environment, as well as its analysis related to the economics of climate change and other environmental challenges.

Keeping Markets Open**

12. We shall resist protectionism. The free flow of trade and investment is essential to ensure a return to sustainable economic growth and rising standards of living for all, particularly for developing countries. We commit to openness, standstill, roll-back, and non-discrimination, to promote and facilitate global trade and investment, as endorsed by the 2 April 2009 London Summit. The measures for assisting industries must be transparent, temporary and WTO consistent, minimising distortion on trade and investment. We welcome the role of the OECD to continue to undertake relevant analysis and to identify policy approaches that are most effective and least distorting for trade and investment; we also urge OECD, in co-operation with the WTO, to continue promoting effective aid for trade for developing countries.

** Argentina and Hong Kong, China endorsed the conclusions set out in this section.

13. We believe that, building on progress already made, an ambitious, balanced, comprehensive conclusion of the Doha Development Agenda negotiations is urgently needed. To support trade, we will ensure the availability of export credits, in particular to emerging markets and developing countries. We welcome the role that the OECD will play, as reflected in its Statement on the Global Financial Crisis and Export Credits, regarding the export credit commitments adopted by the 2 April 2009 London Summit.

14. All partners under the “Freedom of Investment Project” share common principles and values of relevance to investment policies. We pledge that our emergency measures to recover from the crisis will respect our international commitments to openness, non-discrimination and standstill and are consistent with our overall objective of encouraging the free flow of inward and outward investment. We welcome OECD reporting on investment measures - in co-operation with UNCTAD, WTO, and IMF – and the Freedom of Investment Project’s monitoring of our compliance with our international commitments. We welcome continued consultations to promote a shared understanding of issues of common interest in the sphere of international investment.

Propriety, Integrity and Transparency

15. We consider that a renewed commitment to responsible business conduct will help to rebuild trust and confidence in markets. We firmly commit to the principles of propriety, integrity and transparency. Thus, we agree on the need to develop a set of common standards and processes regarding the conduct of international business and finance. For this purpose, we welcome the OECD work in relation to the Lecce Framework and a Global Charter for sustainable economic activity. We call on the OECD to strengthen its work on corporate governance and financial literacy. We will continue to promote corporate social responsibility and welcome further consultation on the up-dating of the OECD Guidelines for Multinational Enterprises to increase their relevance and clarify private sector responsibilities.

16. Our fight against corruption and bribery remains a high priority and a shared responsibility. We encourage strong action to fight corruption in international business, including criminal laws against bribery of foreign public officials in line with the OECD Anti-Bribery Convention or the United Nations Convention Against Corruption. We shall be vigilant in ensuring that investigations and prosecutions of the bribery of foreign public officials are not influenced by considerations of national economic interest, the potential effect upon relations with another State, or the identity of the natural or legal persons involved.

17. We welcome the near universal endorsement of the principles of transparency and effective exchange of information on tax matters developed by the OECD. We look forward to a strengthening of the Global Forum on Transparency and Exchange of Information including the expansion of its membership. We support the establishment of a robust and comprehensive peer review process within the Global Forum and the development of a toolbox on defensive measures to ensure an effective implementation of agreed standards and instruments on a global basis.

OECD’s Role in the International Arena

18. We welcome the action the OECD has undertaken to work more closely with emerging and developing economies, international organisations and other international fora. We welcome the progress made on the way to OECD Membership by Chile, Estonia, Israel and Slovenia, and the submission of the Russian Federation’s Initial Memorandum. We look forward to a further strengthening of the OECD co-operation with Brazil, India, Indonesia, the People’s Republic of China and South Africa through Enhanced Engagement programmes.