PURSUING STRONG, SUSTAINABLE AND BALANCED GROWTH: TAKING STOCK OF STRUCTURAL REFORM COMMITMENTS

Organisation for Economic Co-operation and Development

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Summary

- Through the Seoul Action Plan, G20 countries have committed themselves to implement growth-enhancing structural reforms with the aim of attaining the shared objectives of stronger, more sustainable and balanced growth. Structural reform commitments include policy action in different areas: product market regulation, labour market and human resource development, taxation, green growth and social safety nets.

- Several policy commitments included in the Seoul Action Plan and in subsequent updates also feature prominently among the reform priorities identified through the OECD's surveillance of structural policies in G20 countries and reported in *Going for Growth*. Both exercises point to common priority areas where policy action can contribute to the attainment of shared objectives.

- Based on a preliminary review of implementation of *Going for Growth* priorities since adoption of the Seoul Action Plan, reform action has focused on labour productivity-enhancing measures in the areas of infrastructure development, public sector efficiency and rule of law. By contrast, responsiveness has been lower in the areas of support for innovation and reform of tax systems.

- As for policies to improve labour utilisation, progress in implementation has been stronger for reform to disability and sickness benefits and to enhance activation for the long-term unemployment.

1 Introduction

At the Seoul Summit of November 2010, G20 Leaders launched the Seoul Action Plan with the objective of "ensuring commitment to cooperation", "outlining an action-oriented plan with each member's concrete policy commitments", and "delivering on all three objectives of strong, sustainable and balanced growth". Structural reforms are among the five policy areas included in the Seoul Action Plan to "boost and sustain global demand, foster job creation, contribute to global rebalancing and increase [the] growth potential [of G20 countries]". A number of areas of structural reform feature prominently in the Seoul Action Plan, including product market regulations, labour market and human resource development, taxation, green growth and social safety nets.

This Report builds on the lessons learned from the OECD's regular surveillance of structural policies in G20 countries (reported in *Going for Growth*), which focuses on a number of policy areas highlighted in the Seoul Action Plan (and subsequent updates) for structural reform in pursuit of strong, sustainable and balanced growth. On the basis of preliminary analysis, the Report takes stock of implementation of *Going for Growth* priorities for G20 countries during 2007-10 and since adoption of the Seoul Action Plan, including in the countries that have been identified as having persistently large imbalances. In those policy areas where there is a coincidence of reform priorities in *Going for Growth* and in the Seoul Action Plan, the analysis provides a preliminary assessment of implementation efforts towards fulfilling the Seoul

Action Plan commitments. In addition, based on *Going for Growth*, the Report identifies areas for additional reform that could complement the policy commitments reported in the Seoul Action Plan towards achieving stronger, more sustainable and balanced growth. Finally, the Report elaborates on options for further OECD contributions to the MAP.

2 Structural reform commitments and attainment of the G20 shared objectives

Going for Growth reform priorities for G20 countries

The OECD Report to the G20 Leaders[1] **on the occasion of the Seoul Summit of November 2010 presented a number of reform priorities identified for each G20 country through OECD structural surveillance**. Emphasis is placed in *Going for Growth*, the OECD's yearly publication on structural reform, on options for lifting potential output by raising labour productivity and removing policy impediments to utilisation (employment and hours worked). Productivity-enhancing recommendations are particularly important for the emerging-market economies, because their performance gap relative to the more advanced countries is larger in this area than in labour utilisation. By contrast, many advanced G20 countries tend to have wider labour utilisation gaps in relation to best performers, which explains a preponderance of priorities to raise employment and hours worked in those countries. In particular, the current set of *Going for Growth* priorities, reported in **Table 1** and **Appendix 1**, shows that:[2]

- Pro-competition reforms in product market regulations and reform of education and tax systems are among the most pressing priorities identified in *Going for Growth* to **raise labour productivity** in G20 countries. Efforts to improve the human capital of low-skilled workers and to put in place an effective system of social protection would also help to tackle labour informality and foster social inclusiveness in emerging-market economies.

- Priorities to **remove disincentives and impediments to labour utilisation**, which are particularly important for the advanced economies, include in some cases a restructuring of unemployment benefit systems, reductions in excessively high average and (in particular) marginal taxes on labour income, including through cuts in social contributions, and in some cases reforms to labour market regulations, wage setting and housing policies.

- Action in other policy domains could also address a performance gap and contribute to growth by removing obstacles to productivity enhancement in the economy at large. Additional policy priorities include measures to **tackle public infrastructure deficiencies**, especially in the transport and water/sanitation sectors; to **enhance government efficiency** more generally, not least in the health care and education sectors, where the scope for improvement is large in a number of countries; to **reduce producer support in agriculture** in some cases; to **promote innovation** and to **improve financial sector regulation and deepening**.

1. See http://www.oecd.org/dataoecd/35/30/46390343.pdf for more information.

2. See OECD (2011), *Going for Growth* (OECD, Paris) for more information.

Table 1. **Structural reform in G20 countries: *Going for Growth* priorities**

Policy domains and sub-domains	Current policy priorities[1]
Product market regulations	
Strengthen competition in network industries	European Union, Japan, Korea, South Africa
Reform/simplify product market regulations	China, Indonesia, Turkey
Reduce barriers to competition in the services sector	Germany, European Union, Korea
Reduce barriers to foreign ownership/investment/trade	Australia, Canada, India, Japan, Mexico, Russian Federation
Reduce regulatory barriers to competition	Canada, France, Indonesia, Italy, Mexico, South Africa, Spain
Strengthen private-sector participation in economic activity	China, Italy, Mexico, Russian Federation
Reform planning regulations	United Kingdom
Labour market regulations	
Reform (disability) benefit schemes	United Kingdom
Reform the unemployment insurance scheme	Canada
Reduce restrictions on labour mobility	China, European Union
Reduce/moderate the minimum cost of labour	France, South Africa, Turkey
Reduce/ease job protection	Germany, France, India, Italy, Japan, Korea, Spain, Turkey
Reform the wage bargaining system	South Africa, Spain
Strengthen policies to support female labour force participation	Korea
Improve incentives for (formal) labour force participation	Brazil, Indonesia
Taxation	
Reform/strengthen the structure of taxation	Australia, Brazil, Canada, Germany, Japan, United States
Reduce implicit taxes on continued work at older ages	France, Spain, Turkey
Reduce the (average) tax wedge on labour income	Australia, Brazil, Germany, France
Shift toward indirect taxes	Italy, Korea
Reduce impediments to full-time female participation	Germany
Phase out energy subsidies	Indonesia
Human capital	
Improve educational efficiency/outcomes/achievement	China, United Kingdom, India, Indonesia, Mexico, South Africa, Turkey
Strengthen early childhood education	Australia
Strengthen primary education	Mexico, United States
Strengthen secondary education	Brazil, Indonesia, Italy, Mexico, Spain, United States
Reform tertiary education	Brazil, Germany, France, Italy
Promote social mobility	United States
Financial regulation	
Improve/streamline financial regulation	Brazil, European Union
Undertake wide-ranging financial reforms	India
Other areas	
Reduce producer support to agriculture	European Union, Japan, Korea, United States
Improve public sector efficiency	United Kingdom, Russian Federation
Improve health outcomes	Russian Federation
Reduce health care costs	United States
Strengthen R&D and innovation incentives	Canada, Russian Federation
Strengthen the legal system	China, Indonesia, Mexico
Improve the quality/provision of infrastructure	Australia, Brazil, United Kingdom, India

1. These reform priorities were set in 2010 and reported in the 2011 edition of *Going for Growth*.

Source: OECD (*Going for Growth* database).

Policy commitments identified in the Seoul Action Plan

Review of the structural policy initiatives identified in the national policy templates and in the Seoul Action Plan (**Table 2 and Figure 1**) **confirms that countries have focused on the three dimensions of the Framework for Growth: strong, sustainable and balanced growth.** Pro-growth reform agendas include measures to boost labour and multifactor productivity and to improve labour utilisation. The potential synergies among the different policy actions are highlighted, and the benefits of pro-growth reforms for the sustainability and durability of growth are recognised. In particular:

- **Productivity-enhancing measures** include pro-competition reforms in product markets, efforts to improve education systems and enhance educational attainment, and general support for innovation. Emphasis has also been placed on policy measures to improve and develop infrastructure in both advanced and emerging-market economies and to reform tax systems. Initiatives to promote openness to foreign trade and investment, especially through a reduction of import tariffs and non-tariff barriers, also feature prominently among policy priorities in some emerging-market economies.

- Reforms to **remove impediments to labour utilisation** have focused on job creation for youths; labour training; enhancement of labour force participation among women, youths and the elderly; and action to improve the matching of workers to jobs. Reform of employment protection legislation, social safety nets and tax-benefit systems are also prominent among country commitments.

- **Other structural policy areas** have been identified as priorities for reform, including a strengthening of legal systems, support for regional development, poverty reduction and initiatives to deal with the security of food and/or energy supply and to improve water resource management. Countries are also committed to strengthening financial regulation and supervision systems, including by strengthening prudential regulation.

Pro-growth structural reforms could contribute at the same time to making growth more sustainable. Countries have recognised the multidimensional nature of growth sustainability when discussing the implications of their pro-growth reform agendas for attaining their shared objectives. In particular:

- **Environment protection** and/or **energy use** are important dimensions of sustainability. Specifically, more sustainable growth could be achieved through pro-growth measures aimed at rationalising the use of energy, including by overhauling subsidy systems, and supporting green innovation.

- Pro-growth reform can help to improve the **distribution of income**, reduce the **incidence of poverty** and/or promote **social inclusiveness**. This dimension of sustainability has been stressed by most emerging-market economies when discussing the implications of policies to enhance educational outcomes and improve the efficiency of, and access to, public services.

- Growth-enhancing reform contributes to restoring the **sustainability of public finances**. This is the case of efforts to enhance public sector efficiency, to reform pension and health care systems, and to rationalise food and energy subsidy systems. Higher growth as a result of reform might also improve the government debt dynamics. The sustainability of public finances ranks highly among the objectives of pro-growth reform in those advanced economies with high government indebtedness.

Table 2. **G20 structural policy commitments**

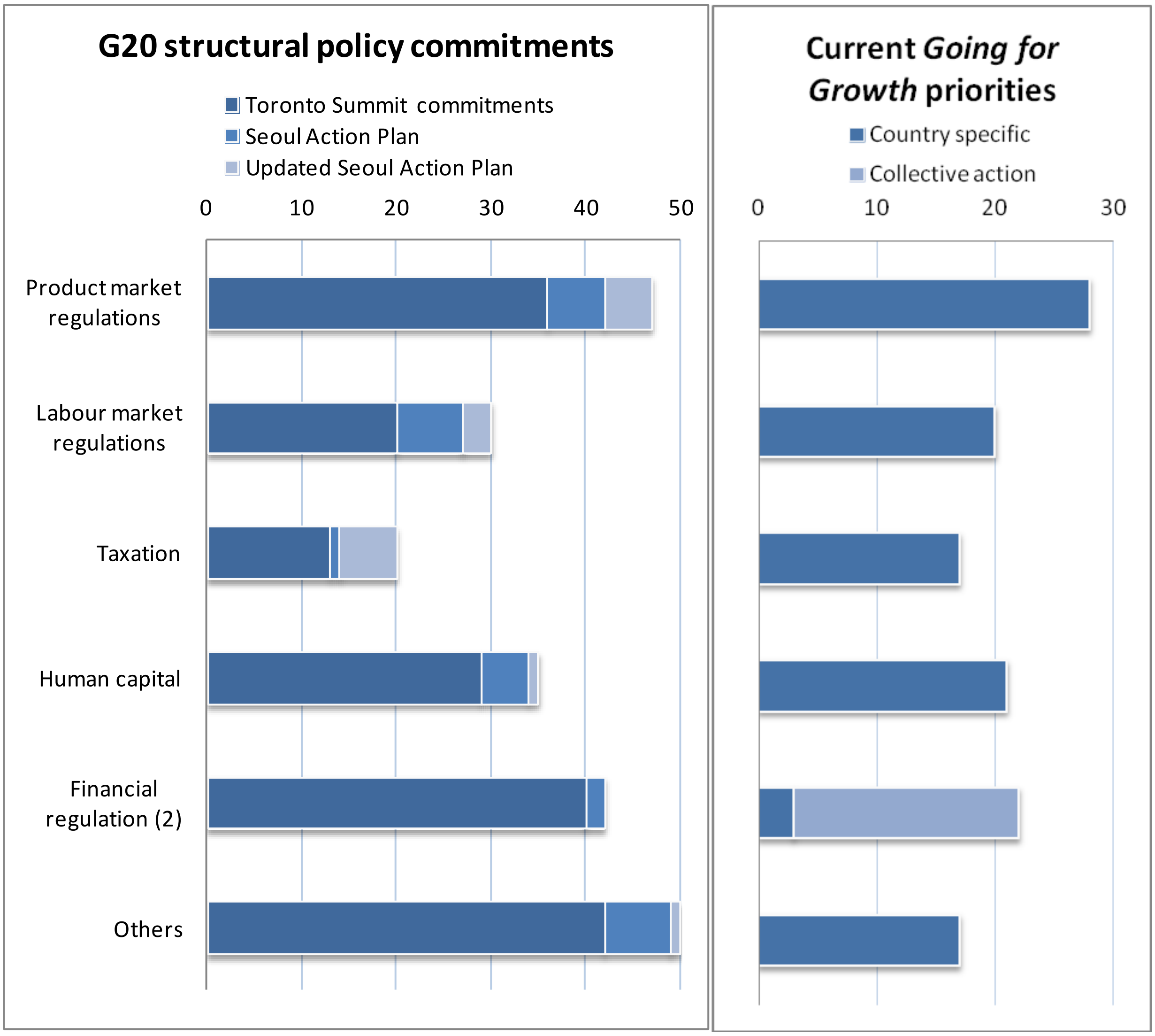
Policy domains and sub-domains	Policy priorities[1]
Product market regulations	
Strengthen competition in network industries	Australia, China, **France**, Germany, Mexico, South Africa, Turkey
Reform/simplify product market regulations	Australia, Brazil, Canada, India, Italy, Mexico, Spain, Turkey
Reduce barriers to competition in the services sector	**China**, Germany, European Union, France, Italy, Korea, Spain
Reduce barriers to foreign ownership/investment/trade	Argentina, Canada, China, European Union, France, **Indonesia**, Japan, Mexico, South Africa
Reduce regulatory barriers to competition	Australia, Brazil, **Canada**, China, Germany, European Union, France, Italy, Korea, Mexico, South Africa, Spain, **United Kingdom**
Strengthen private-sector participation in economic activity	Korea, Mexico, Turkey
Labour market regulations	
Reform the unemployment insurance scheme	China, United Kingdom
Reduce restrictions on labour mobility	Canada, China, European Union, **Germany,** Russian Federation
Reduce/moderate the minimum cost of labour	Spain
Reduce/ease job protection	Germany, France
Reform the wage bargaining system	Italy, Korea, Mexico, South Africa, Spain
Strengthen policies to support female labour force participation	**Germany**, Italy, Japan, Korea, Turkey
Improve incentives for (formal) labour force participation	Argentina, European Union, India, Indonesia, Italy, Saudi Arabia, South Africa, Spain, **Turkey**, United Kingdom
Taxation	
Reform/strengthen the structure of taxation	**Argentina**, Australia, Brazil, Canada, China, India, Indonesia, Korea, Mexico, Russian Federation, **South Africa**
Reduce implicit taxes on continued work at older ages	France, **Italy, Japan, Russian Federation**
Reduce the (average) tax wedge on labour income	**Australia**, Brazil, Canada, Mexico
Shift toward indirect taxes	India
Human capital	
Improve educational efficiency/outcomes/achievement	Argentina, Australia, Brazil, Canada, China, Germany, European Union, India, Indonesia, Italy, Mexico, Saudi Arabia, South Africa, Spain, **United Kingdom**, United States
Strengthen early education	Japan, United States
Strengthen primary education	India, Indonesia, United States
Strengthen secondary education	Indonesia, Italy, United States
Reform tertiary education	Australia, Brazil, Canada, France, Germany, Indonesia, Italy, Japan, Korea, Spain, United States
Financial regulation	
Improve/streamline financial regulation	Argentina, Australia, Brazil, Canada, China, Germany, European Union, France, India, Indonesia, Italy, Japan, Korea, Mexico, Russian Federation, Saudi Arabia, South Africa, Spain, Turkey, United Kingdom, United States
Undertake wide-ranging financial reforms	Argentina, Australia, Brazil, Canada, China, Germany, European Union, France, India, Indonesia, Italy, Japan, Korea, Mexico, Russian Federation, Saudi Arabia, South Africa, Spain, Turkey, United Kingdom, United States
Other areas	
Improve public sector efficiency	European Union, Indonesia, Italy, Spain
Improve health outcomes	**Australia**, India, Indonesia, Mexico, Turkey
Reduce health care costs	Australia, China, Spain, United States
Strengthen R&D and innovation incentives	Argentina, Australia, Brazil, Canada, China, European Union, France, Germany, Indonesia, Italy, Japan, Korea, Spain, Turkey, United States
Strengthen the legal system	Brazil, China, Mexico, Russian Federation
Improve the quality of infrastructure	Argentina, Australia, Brazil, Canada, China, India, Indonesia, Italy, Japan, Korea, Mexico, Russian Federation, Saudi Arabia, South Africa, Spain, Turkey, United Kingdom, United States

1. Refers to the reform priorities identified in the G20 countries' national policy template submissions before and after the Toronto Summit and in the Seoul Action Plan. The countries identified in bold have added a policy commitment in the corresponding policy sub-domains to the updated Seoul Action Plan.

Source: OECD.

Figure 1. **G20 structural policy commitments**

Number of policy commitments/priorities in each policy domain[1]



1. There are 106 priorities for G20 countries in the latest edition of *Going for Growth* (Table 1) and 224 commitments made by G20 countries in the Seoul Action Plan and subsequent updates (Table 2).

2. In addition to the country-specific measures identified in *Going for Growth*, financial regulation requires collective action by all G20 countries.

Source: OECD.

- Structural policies that have the scope for making growth more balanced (see below) could also have the concomitant benefit of making it more sustainable. This is the case, for example, of policies that could promote a more balanced **distribution of economic activity at the regional and/or sectoral levels**, between the private and public sectors, and between tradable and non-tradeable activities.

Countries have pointed out that pro-growth reforms can contribute to a durable narrowing of imbalances. This is especially the case of countries that have been identified as having persistently large imbalances (China, France, Germany, India, Japan, United Kingdom, United States). In particular:

- Countries with persistently large **current account surpluses** have focused on measures to reduce their external imbalances by enhancing domestic demand. According to the Seoul Action Plan and subsequent updates, pro-growth measures that would contribute to external rebalancing in surplus countries include a strengthening of social safety nets, pro-competition reform in protected sectors and support for the development of non-tradeable sectors, including services.

- Countries that have been identified as having persistently large **current account deficits** have highlighted the scope of productivity-enhancing measures to boost the competitiveness of exports and facilitate external rebalancing. Appropriate financial regulation and supervision has also been highlighted as a means of rebalancing growth. Such measures have the scope for shifting demand towards net exports and investment and away from consumption.

- To the extent that structural reforms contribute to reducing government dissaving, these policies would favour external rebalancing in countries with **high government and external deficits or indebtedness**. For example, countries have committed themselves to rationalising subsidies and improving the cost-efficiency of government spending and implementing pension reform.

Those G20 countries that have not been identified as having persistently large imbalances have also underscored the links between their pro-growth reforms and demand rebalancing. In particular, several countries have highlighted the external implications of tax reform and pension reform and policies aimed at increasing openness to international trade. Other countries linked an increase in absorption to policies aimed at improving infrastructure. With regards to internal rebalancing, countries have highlighted the effect on absorption of initiatives to promote regional development and private sector development.

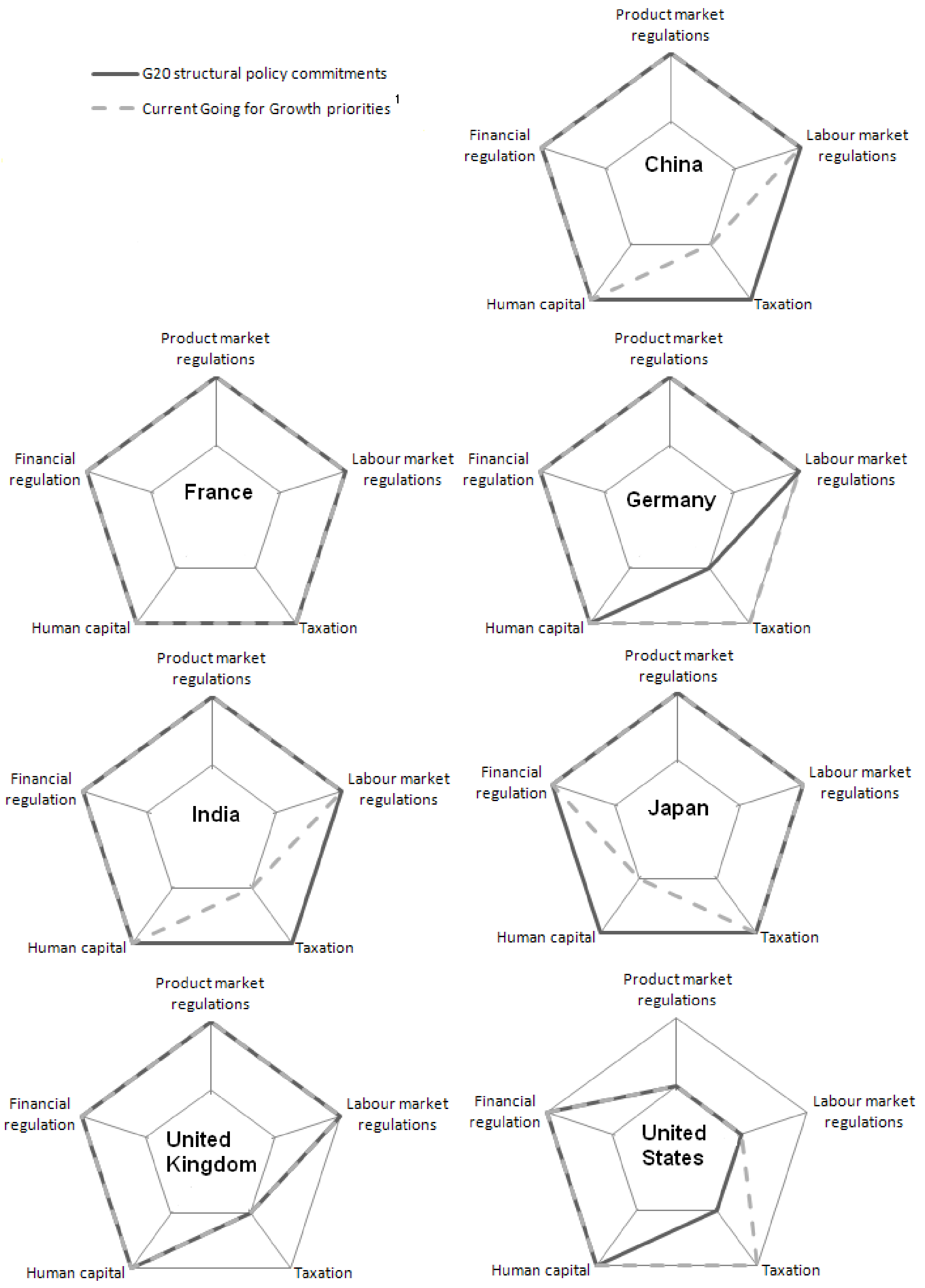
Implementation of structural reform priorities

Many of the structural policy commitments identified through the MAP feature highly among the pro-growth priorities identified in *Going for Growth*. In many cases, there is a close correspondence between the national structural policy commitments and *Going for Growth* priorities for the five main policy domains covered in *Going for Growth*, as illustrated in **Figure 2** for those countries that have been identified as having persistently large imbalances and in **Appendix Figure 1** for the other countries. This is particularly the case of product and labour market regulations and policies to strengthen human capital, which suggests that both exercises point to common directions for reform. By contrast, there is somewhat greater emphasis in the national policy templates than in *Going for Growth* on options for strengthening financial regulation and reforming financial sectors. As noted above, financial regulation is dealt with outside the country-specific framework of *Going for Growth*, because this is a reform area that requires collective action by all G20 countries.

Countries have taken steps to implement the reform priorities identified in *Going for Growth*. A preliminary review of actions taken in response to *Going for Growth* recommendations during 2007-10 suggests that progress has been greatest in the area of innovation, which has much scope for raising long-term material standards of living by improving labour productivity (**Figure 3**). In particular, the emerging-market economies have acted to reform education systems to improve the quality of services and educational attainment, as well as to build and upgrade physical infrastructure. Responsiveness to policy priorities has also been strong in implementing policy initiatives to enhance labour utilisation, including through tax measures, especially in the advanced economies whose labour markets have been affected most severely by the recession.

Figure 2. ***Going for Growth* priorities and G20 structural policy commitments: Countries with persistently large imbalances**

The axes of the pentagons refer to the five main *Going for Growth* policy domains

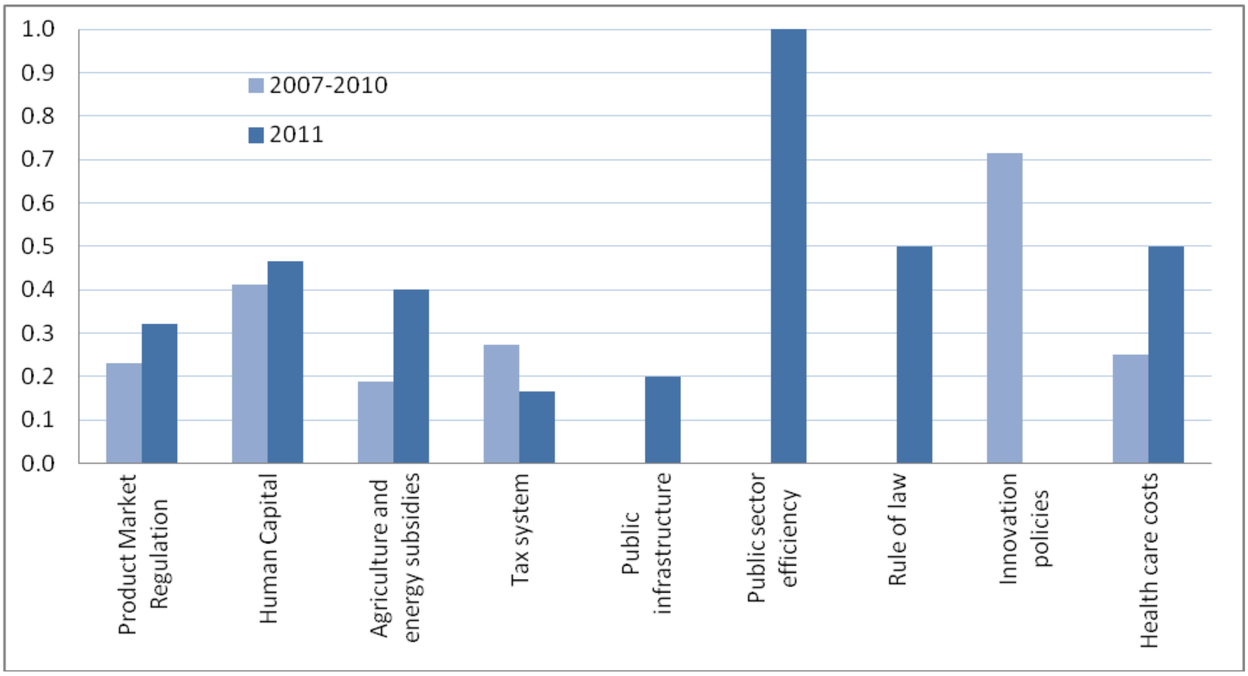


1. In addition to the country-specific measures identified in *Going for Growth*, financial regulation requires collective action by all G20 countries.

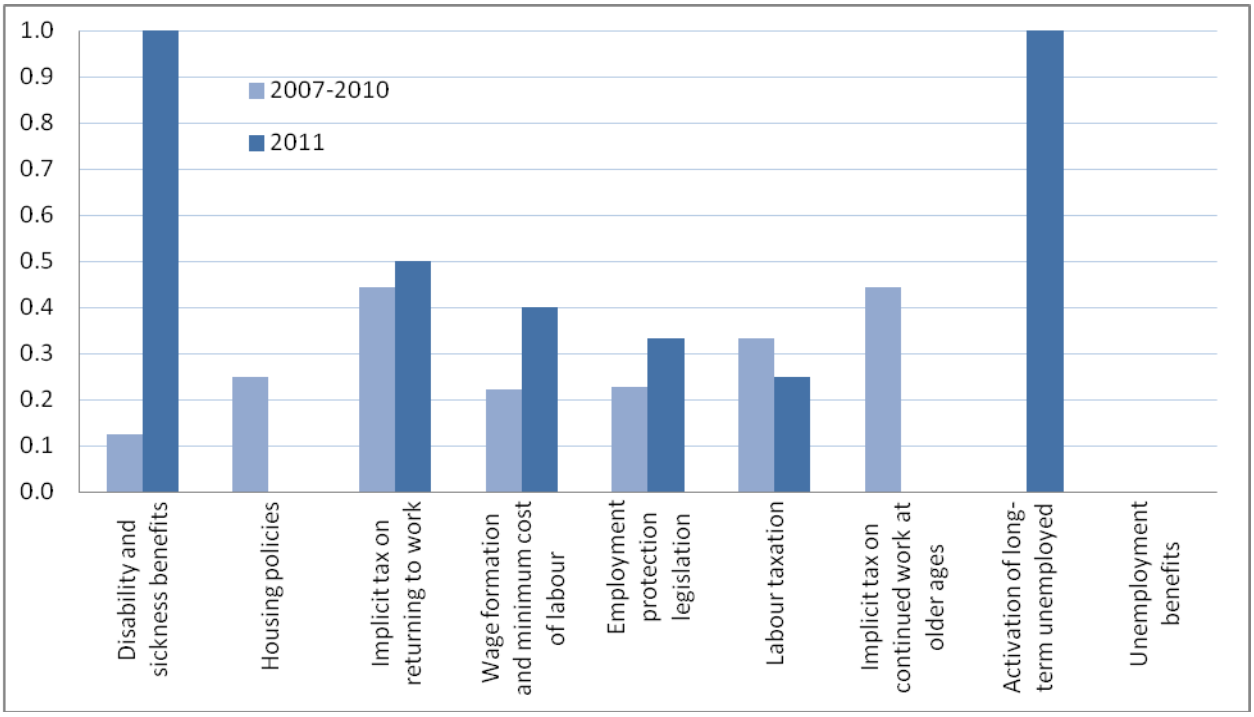
Source: OECD.

Figure 3. **Responsiveness to *Going for Growth* recommendations in G20 countries**

A. Labour-productivity enhancing areas



B. Labour-utilisation enhancing areas



1. The responsiveness rate is the ratio of the number of years in which some action is taken towards addressing the policy priority to the number of years in which some action could potentially be taken (excluding the year when the priority is set). The responsiveness rate is calculated for the G20 countries that are members of the OECD in 2007-2011 and for all G20 countries (except Argentina and Saudi Arabia) in 2011.

Source: OECD (*Going for Growth* database).

The crisis and ensuing recession have acted as a catalyst for structural reform in some cases. For example, countries under fiscal duress have taken steps to implement pro-growth reforms, such as those that enhance public sector efficiency, which could contribute to the sustainability of public finances at the same time. The need to deliver fiscal consolidation in many advanced economies has also provided additional impetus for needed reform of tax systems in a manner that could yield the concomitant benefit of removing impediments to labour utilisation, private investment and entrepreneurship. In addition, the sharp rise in unemployment during the recession has legitimately shifted policymakers' attention towards policy initiatives to shield the unemployed from the hardships associated with joblessness and to encourage a smooth return to work during the recovery.[3]

By contrast, implementation of reform priorities has been comparatively slow in certain policy areas. This is true in the case of the overhaul of agriculture support in the advanced economies and energy subsidies in the emerging-market economies, which are priority areas for reform according to *Going for Growth*. Capacity bottlenecks, especially in emerging-market economies, often pose challenges for effective implementation of reform priorities. Although some action has been taken among G20 countries to make product market regulations more conducive to competition, much remains to be done in many areas towards achieving country commitments and *Going for Growth* priorities.

Responsiveness to *Going for Growth* reform priorities has so far varied across policy domains since adoption of the Seoul Action Plan. On the basis of the preliminary information available to date:

- There has been renewed responsiveness to labour productivity-enhancing structural policy priorities in the areas of infrastructure development, public sector efficiency and rule of law. By contrast, responsiveness has been lower in the areas of support for innovation and reform of tax systems, which reflects in part the emphasis placed in those areas in previous years, although in some countries there remains room for further action in these areas.

- As for reforms to improve labour utilisation, responsiveness has so far been particularly high in implementing reform to disability and sickness benefits and to enhance activation for the long-term unemployment in those countries where policy action was identified in *Going for Growth* as priorities in these areas.

Options for further structural reform

The *Going for Growth* exercise identifies areas on which G20 countries may focus to advance their policy reform agenda. This is the case of those policy domains that feature comparatively more prominently among *Going for Growth* priorities than in the policy commitments identified through the MAP and reported in the Seoul Action Plan. For example:

- In the area of **product-market regulations**, a number of advanced countries could take additional steps to remove restrictions to entry in network industries and professional services, which are areas where progress in implementing reform has been somewhat slower than desirable. Pro-growth reforms in these areas could yield the additional dividend of unleashing opportunities for investment and, as a result, would contribute to external rebalancing in surplus countries. Many emerging-market economies could focus their additional reform efforts on reducing barriers to trade and investment to make their regulatory environment in product markets more supportive of productivity-enhancing competition.

[3] See OECD (2011), *Economic Outlook*, No. 89 (OECD, Paris), Chapter 5, for a discussion of trends and policy options for tackling joblessness during the recovery.

- In the area of **taxation**, many countries would benefit from improvements in the structure of their tax systems in a manner that further reduces impediments to labour utilisation and enhances labour productivity. Together with initiatives to bolster the **human capital** of low-skilled workers, which are among the *Going for Growth* priorities for several emerging-market economies, these pro-growth reforms in the tax area could contribute to growth sustainability by making it more socially inclusive.

- As for the **other policy domains** that rank prominently among *Going for Growth* reform priorities, some countries would do well to reduce producer support for agriculture and energy subsidies, notwithstanding the political economy constraints to swift action in these areas, as discussed above.

3 Next steps for OECD contribution to the MAP

The OECD remains committed to the MAP. Building on previous contributions and benefitting from cooperation with the other international organisations, the OECD stands ready to continue to contribute to the MAP in two main areas:

- **Stocktaking of progress in reform implementation**. The OECD will continue to take stock of implementation of the reform commitments reported in the Seoul Action Plan on the basis of the Organisation's regular multilateral surveillance of structural policies in the G20 countries. Indeed, monitoring progress in policy implementation is already an integral part of the OECD surveillance of structural reform through the *Going for Growth* process. The next edition of *Going for Growth* is scheduled for publication in the first quarter of 2012 and will review implementation of reform priorities in all G20 countries during 2007-2011. Reviews of policy implementation also involve the surveillance of country-specific policies through the *Economic Surveys,* which are conducted regularly for nearly all G20 countries (**Appendix 2**).

- **Structural policy assessment and advice**. The OECD will continue to provide policy assessments and advice to G20 countries in the structural area by building on the Organisation's analysis of the effects of pro-growth structural reform on economic outcomes, such as GDP growth, employment, budget balances and external positions. In addition to the surveillance of structural policies in individual countries, cross-country policy analysis includes a quantification of the effects of structural reforms on economic outcomes.

APPENDIX 1. GOING FOR GROWTH POLICY PRIORITIES FOR G20 COUNTRIES

Country		Policy priority	Policy target	Policy sub-domain
Australia	1	Enhance capacity and regulation in infrastructure	Productivity	Public infrastructure
	2	Relax barriers to foreign direct investment	Productivity	Product market regulation
	3	Improve the efficiency of the tax system	Productivity	Tax system
	4	Increase incentives for workforce participation	Labour utilisation	Labour taxation
	5	Improve the performance of early childhood education	Productivity	Human capital
Brazil	1	Increase the quality of secondary and tertiary education	Productivity	Human capital
	2	Reform financial market regulation	Productivity	Financial regulation
	3	Improve infrastructure provision	Productivity	Public infrastructure
	4	Reduce distortions in the tax system	Productivity	Tax system
	5	Improve incentives for formal labour force participation	Labour utilisation	Tax system
Canada	1	Reduce barriers to competition	Productivity	Product market regulation
	2	Reduce barriers to foreign ownership	Productivity	Product market regulation
	3	Lower corporate taxation and shift toward consumption taxes	Productivity	Tax system
	4	Improve R&D support policies	Productivity	Innovation policies
	5	Reform the unemployment insurance system	Labour utilisation	Unemployment benefits
China	1	Reduce the importance of the state-owned sector in the economy	Productivity	Product market regulation
	2	Improving educational attainment	Productivity	Human capital
	3	Reduce administrative burdens on companies	Productivity	Product market regulation
	4	Further enhance the rule of law	Productivity	Legal system
	5	Reduce barriers to urbanisation	Productivity	Labour mobility, Other policy areas

Country		Policy priority	Policy target	Policy sub-domain
European Union	1	Increase competition in the services sector	Productivity	Product market regulation
	2	Raise competition in network industries	Productivity	Product market regulation
	3	Reduce producer support to agriculture	Productivity	Agriculture
	4	Reform financial regulation and deepen market integration	Productivity	Financial regulation
	5	Improve the functioning of the labour market	Labour utilisation	Labour mobility, Other policy areas
France	1	Reduce disincentives to continued work at older ages	Labour utilisation	Implicit tax on continued work at older ages
	2	Reduce labour-market dualism	Productivity, Labour utilisation	Job protection
	3	Reduce the labour tax wedge and the minimum cost of labour	Labour utilisation	Labour taxation, Wage formation and minimum cost of labour
	4	Improve the quality and efficiency of the tertiary education system	Productivity	Human capital
	5	Reduce regulatory barriers to competition	Productivity	Product market regulation
Germany	1	Reduce barriers to competition in the services sector	Productivity	Product market regulation
	2	Improve tertiary education outcomes	Productivity	Human capital
	3	Reduce tax wedges on labour income and shift taxation to property and consumption taxes	Productivity, Labour utilisation	Tax system
	4	Reduce impediments to full-time female labour participation	Labour utilisation	Tax on second earners
	5	Ease job protection for regular workers	Productivity, Labour utilisation	Job protection
India	1	Reduce trade and FDI barriers as well as administrative burdens	Productivity	Product market regulation
	2	Improve education outcomes	Productivity	Human capital
	3	Ease job protection	Productivity, Labour utilisation	Job protection
	4	Enhance infrastructure provision	Productivity	Public infrastructure
	5	Undertake wide-ranging financial sector reforms	Productivity	Financial regulation

Country		Policy priority	Policy target	Policy sub-domain
Indonesia	1	Strengthen resources for secondary education and improve the overall efficiency of the education system	Productivity	Human capital
	2	Improve the regulatory environment for infrastructure	Productivity	Product market regulation
	3	Reform labour regulation to address the problem of informality	Labour utilisation	Job protection
	4	Ease barriers to entrepreneurship and strengthen institutions to fight corruption	Productivity	Product market regulation, Legal system
	5	Phase out energy subsidies	Productivity	Tax system
Italy	1	Reduce regulatory and administrative barriers to competition	Productivity	Product market regulation
	2	Improve the efficiency of secondary and tertiary education	Productivity	Human capital
	3	Improve the efficiency of the tax structure and shift toward indirect taxes	Productivity	Tax system
	4	Reduce public ownership	Productivity	Product market regulation
	5	Reduce labour market duality	Productivity, Labour utilisation	Job protection
Japan	1	Reform regulation in network sectors	Productivity	Product market regulation
	2	Reduce producer support to agriculture	Productivity	Agriculture
	3	Reduce the dualism of job protection	Productivity, Labour utilisation	Job protection
	4	Remove restrictions on FDI	Productivity	Product market regulation
	5	Restructure the tax system	Productivity	Tax system
Korea	1	Ease regulation of network sectors and services	Productivity	Product market regulation
	2	Reduce producer support to agriculture	Productivity	Agriculture
	3	Reform employment protection by reducing protection for regular contracts	Productivity, Labour utilisation	Job protection
	4	Improve the efficiency of the tax system by relying more on indirect taxes	Productivity	Tax system
	5	Strengthen policies to support female labour force participation	Labour utilisation	Other policy areas, Child care

Country		Policy priority	Policy target	Policy sub-domain
Mexico	1	Raise achievement in primary and secondary education	Productivity	Human capital
	2	Reduce barriers to firm entry	Productivity	Product market regulation
	3	Reduce barriers to foreign ownership	Productivity	Product market regulation
	4	Improve the rule of law	Productivity	Legal system
	5	Reform the state-owned oil company	Productivity	Product market regulation
Russian Federation	1	Lower barriers to trade and foreign direct investment	Productivity	Product market regulation
	2	Reduce state control over economic activity	Productivity	Product market regulation
	3	Raise the effectiveness of innovation policy	Productivity	Innovation policies
	4	Raise the quality of public administration	Productivity	Public sector efficiency
	5	Reform the healthcare system	Productivity	Public sector efficiency
South Africa	1	Raise the quality of education and reduce its dispersion	Productivity	Human capital
	2	Enhance competition in network industries	Productivity	Product market regulation
	3	Reform the wage bargaining system	Labour utilisation	Wage formation and minimum cost of labour
	4	Strengthen policies to tackle youth unemployment	Labour utilisation	Wage formation and minimum cost of labour, Other policy areas
	5	Reduce barriers to entrepreneurship	Productivity	Product market regulation
Spain	1	Improve educational attainment in secondary education	Productivity	Human capital
	2	Make wages more responsive to economic and firm-specific conditions	Labour utilisation	Wage formation and minimum cost of labour
	3	Ease employment protection legislation for permanent workers	Productivity, Labour utilisation	Job protection
	4	Reduce the disincentives for older workers to continue working	Labour utilisation	Implicit tax on continued work at older ages
	5	Ease regulation of retail outlets	Productivity	Product market regulation

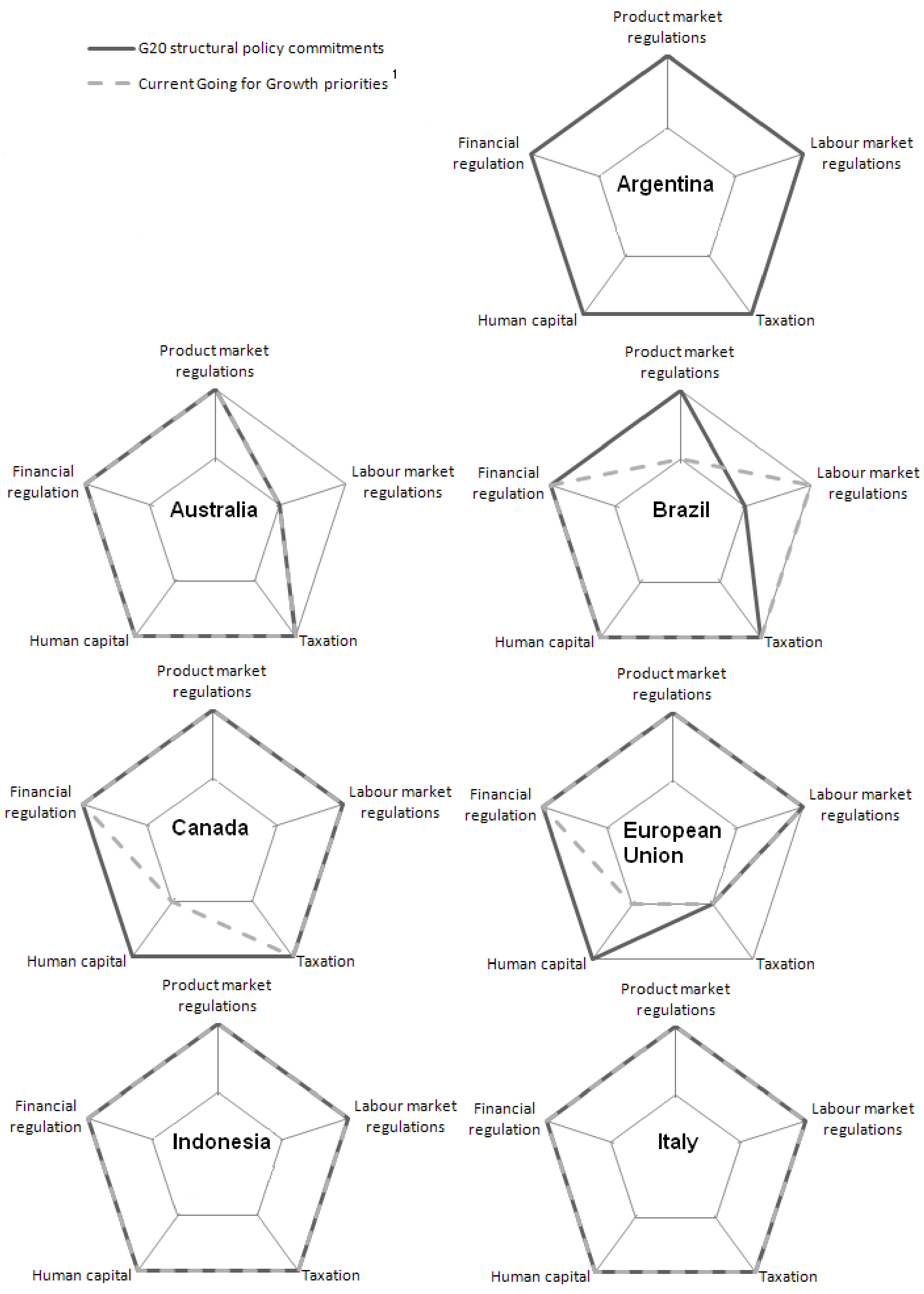
Country		Policy priority	Policy target	Policy sub-domain
Turkey	1	Reduce the minimum cost of labour	Labour utilisation	Wage formation and minimum cost of labour
	2	Improve educational achievement	Productivity	Human capital
	3	Reform employment protection legislation	Productivity, Labour utilisation	Job protection
	4	Simplify product market regulations	Productivity	Product market regulation
	5	Reduce incentives for early retirement	Labour utilisation	Implicit tax on continued work at older ages
United Kingdom	1	Improve the education achievement of young people	Productivity	Human capital
	2	Improve public infrastructure, especially for transport	Productivity	Public infrastructure
	3	Further reform disability benefit schemes	Labour utilisation	Disability and sickness benefits
	4	Strengthen public sector efficiency	Productivity	Public sector efficiency
	5	Reform planning regulations	Productivity	Housing policies
United States	1	Improve primary and secondary education	Productivity	Human capital
	2	Improve the efficiency of the health care sector	Productivity	Other policy areas, Healthcare costs
	3	Improve the efficiency of the tax system	Productivity	Tax system
	4	Reduce agricultural subsidies	Productivity	Agriculture
	5	Strengthen policies to promote social mobility	Productivity	Human capital

1. The policy priorities are those included in the 2011 edition of *Going for Growth*, published in April 2011.

Source: OECD (*Going for Growth* database).

Appendix Figure 1. **Going for Growth priorities and G20 structural policy commitments: Other countries/regions**

The axes of the pentagons refer to the five main *Going for Growth* policy domains

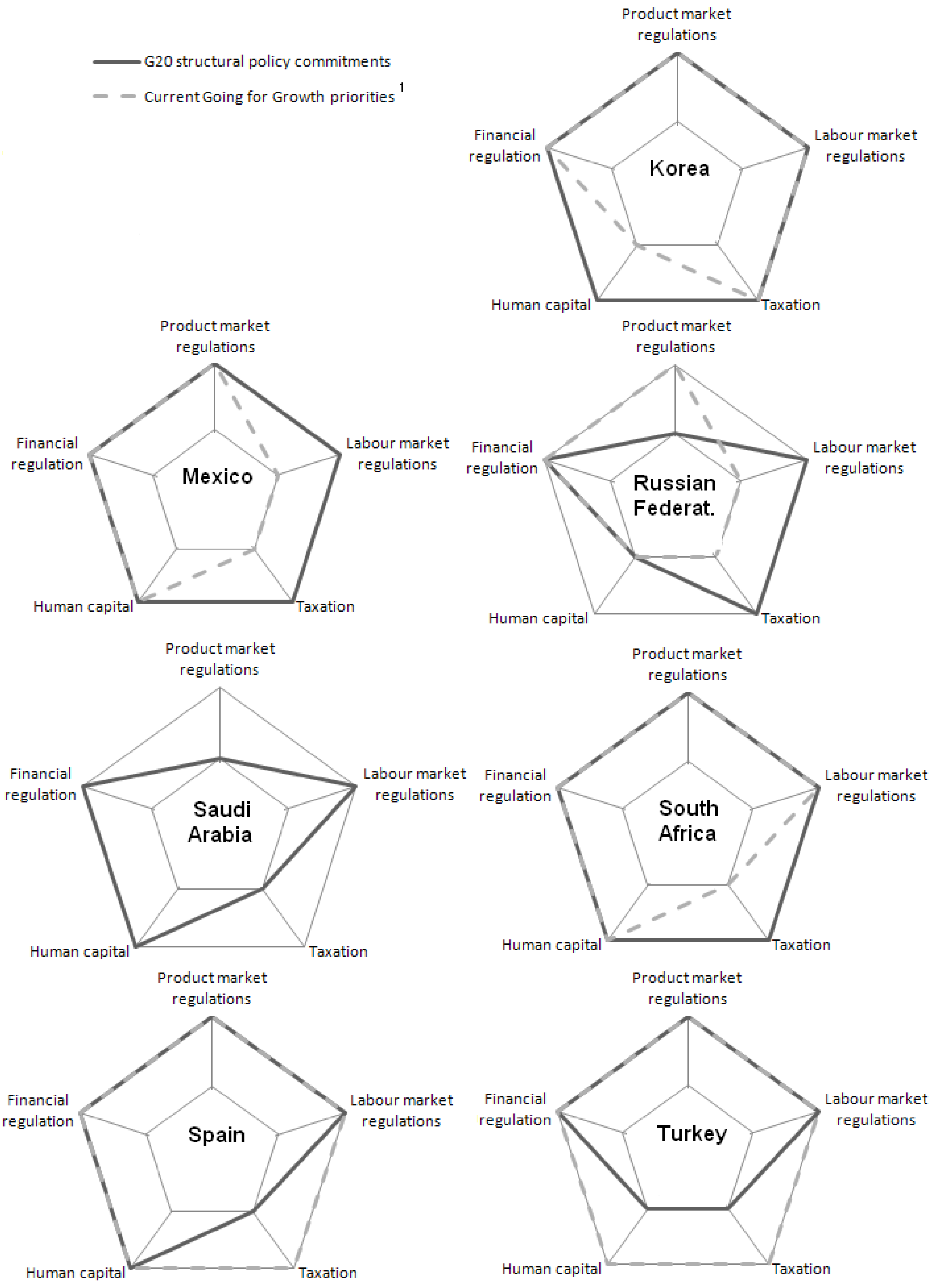


1. In addition to the country-specific measures identified in *Going for Growth*, financial regulation requires collective action by all G20 countries.

Source: OECD.

Appendix Figure 1 (cont'd). **Going for Growth priorities and G20 structural policy commitments: Other countries/regions**

The axes of the pentagons refer to the five main *Going for Growth* policy domains



1. In addition to the country-specific measures identified in *Going for Growth*, financial regulation requires collective action by all G20 countries.

Source: OECD.

APPENDIX 2. LIST OF UPCOMING *ECONOMIC SURVEYS* OF G20 COUNTRIES

Country	Expected date of publication
Brazil	October/November 2011
Russian Federation	December 2011
Germany	January 2012
European Union and Euro Area	March 2012
Korea	1^{st} semester of 2012
Canada	June 2012
United States	July 2012
Turkey	2^{nd} semester of 2012
Indonesia	2^{nd} semester of 2012