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Organisation de Coopération et de Développement Économiques
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Meeting of the Council at Ministerial Level, 6-7 May 2014

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"Resilient Economies and Inclusive Societies – Empowering People for Jobs and Growth"

1. On the occasion of the 2014 OECD Ministerial Council Meeting, we[1] have assembled under the Chairmanship of Japan, on the 50th anniversary of its accession to the OECD, and the Vice-Chairmanship of Slovenia and the United Kingdom.

2. We expect the global recovery to gather momentum, but some significant downside risks remain, including those associated with ongoing geopolitical tensions. In major advanced economies, unemployment has fallen slightly, trade is beginning to grow faster than output, and investment is picking up, while the outlook for major emerging-market economies remains mixed.

3. ***Resilient Economies and Inclusive Societies***: Against this backdrop, we discussed how we can achieve "resilient economies and inclusive societies" to generate jobs and growth, empower people and promote the well-being of our citizens. We share a common goal of increasing resilience of our economies by incorporating multidimensionality into policy design to help identify trade-offs, complementarities and unintended consequences of policy choices. Sound and appropriate macro-economic management including responsible fiscal policies, further structural reforms and further global rebalancing are all essential for achieving robust, resilient and inclusive growth, taking into account rising inequality.

4. To strengthen resilience, we need to enhance the productivity and competitiveness of our economies and industries, by ensuring a strong financial system, stable public and private financing and efficient allocation of resources. Knowledge-based capital, open Internet, innovation, science and technology, as well as entrepreneurship are all crucial to provide new sources of growth in the face of long-term challenges, such as ageing and environmental degradation. In this context, updating the Innovation Strategy is important, as is the OECD's work on the digital economy, including through its Privacy Guidelines and Internet Policy Principles.

5. Rising inequality endangers social cohesion and weakens social resilience, thereby hampering economic resilience. A key challenge is to achieve inclusive growth by providing social protection and empowerment to people, which can strengthen human security. Appropriate flexibility and security in labour markets and relevant education and skill programmes can facilitate greater inclusion and participation of under-represented groups. We welcome OECD initiatives targeting these groups, including on gender equality, youth employment, ageing society and the integration of migrants. We also recognise that regional and urban policies can play a key role in empowering people and building resilience at all levels of our economies and societies.

6. We recognise the important role played by governments in promoting structural and other reforms to increase economic, social and environmental resilience. We underscore the importance of rebuilding public trust through greater openness, transparency and accountability of governments, including by combating corruption and enhancing the fairness of our tax systems. We welcome the progress on the Base Erosion and Profit Shifting (BEPS) initiative and adopt the Declaration on Automatic Exchange of Information in Tax Matters (AEOI)[2]. We also adopt the Recommendation of the Council on the Governance

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1 Ministers and Representatives of Australia, Austria, Belgium, Canada, Chile, Colombia, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom, the United States and the European Union.

2 The Declaration on AEOI was adopted by the OECD Member countries together with Argentina, Brazil, the People's Republic of China, Colombia, Costa Rica, India, Indonesia, Latvia, Lithuania, Malaysia, Saudi Arabia, Singapore and South Africa.

of Critical Risks[3] and look forward to OECD's strategic approaches to risk management and financing to help governments strengthen their resilience.

7. ***New Approaches to Economic Challenges (NAEC)***: We launched the NAEC initiative in 2012 to derive policy lessons from the crisis and to update the OECD's analytical frameworks in an increasingly complex and interconnected global economy. We welcome the progress outlined in the NAEC Synthesis Report and look forward to the Final Synthesis Report to be presented at the next Ministerial meeting. As unemployment and inequality remain priority issues in many countries, we underscore the need to move towards more inclusive growth. We also note other emerging policy recommendations aimed at increasing macroeconomic stability, addressing long-term challenges and improving policy making and international policy coordination.

8. We call on the Organisation to mainstream the NAEC results into OECD activities and to provide the best policy mix, bearing in mind trade-offs and complementarities among different policy choices as well as the importance of our stocks of economic, human, social and natural capital. We encourage the OECD to keep its forecasting processes under review and to strengthen its strategic foresight capabilities. We also encourage the Organisation to monitor the resilience of major economies, including Key Partners[4], and to reflect this result in the Organisation's framework of analyses and policy recommendations.

9. ***Environmentally Sustainable ('Greener') Growth***: We recognise the need to enhance our resilience to environmental shocks. We identify climate change as one of the most comprehensive global risks and therefore adopt the 2014 OECD Ministerial Statement on Climate Change.[5]

10. ***Strengthening the Multilateral Trade System***: We underline that free trade remains a key driver for growth and job creation. We reaffirm our standstill and rollback commitments to resist all forms of protectionism. Following the 2013 WTO Ministerial Conference in Bali, we will work together for early adoption and effective implementation of the Trade Facilitation Agreement and to develop the post-Bali work programme. We reaffirm our commitment to strengthening the rules-based multilateral trade system, recognising new realities of the global trade landscape and the role of regional trade agreements and plurilateral initiatives. We encourage the OECD to enhance its work on Global Value Chains (GVCs) including expanding its Trade in Value Added (TiVA) database. We welcome the Services Trade Restrictiveness Index (STRI) which will help governments promote efficiency and competitiveness. We encourage the OECD to promote greater participation of all economies, including developing countries, in international trade.

11. ***Promoting a Better Business Climate***: Investment is another driver of jobs and growth. We underscore the role of the OECD to improve our understanding of investment flows. We look forward to the updating of the Policy Framework for Investment (PFI) by our next Ministerial meeting. We also support the OECD's efforts to promote a global level playing field for business, involving non-member economies, including through the analysis of investment treaties, competitive neutrality, responsible business conduct, international cooperation in regulatory policy and competition law enforcement, and export credits.

12. ***Partnerships for Global Resilience and OECD's Global Reach***: We believe that the OECD can contribute to the inclusive and sustainable development of the world economy by strengthening its partnerships with various countries and regions including through a regional approach in accordance with the Resolution on Strengthening the OECD's Global Reach. We reiterate the importance of sharing OECD

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[3] The Recommendation was adopted by the OECD Member countries and Colombia, Costa Rica, Latvia, Morocco and Tunisia also adhered to it at the time of its adoption.

[4] The Key Partners of the OECD are Brazil, the People's Republic of China, India, Indonesia and South Africa.

[5] The Ministerial Statement on Climate Change was adopted by the OECD Member countries and joined by Colombia and Latvia.

standards and best practices with Key Partners and strengthening their participation in the Organisation's work in areas of common interests and mutual benefits. We welcome the formal launch of the Southeast Asia Regional Programme and call on the OECD to take further steps on its implementation. We also welcome the progress in the accession processes of Colombia and Latvia. We reaffirm our commitment to work closely with Costa Rica and Lithuania consistent with the above Council Resolution. We call on the OECD's efforts to help partner countries overcome their policy challenges, including a "middle-income trap" wherever relevant. We support the role that the Organisation plays in strengthening global governance.

13. ***Development as Empowerment***: The OECD should continue to play an active role in tackling development challenges, including a supporting role in contributing to the post-2015 development agenda. We are committed to mainstreaming the OECD Strategy on Development and monitoring its full implementation. In this context, we welcome work on policy coherence for development and knowledge sharing, as well as contributions to global initiatives, such as the Global Partnership for Effective Development Cooperation. We will work together with our partners to support them in making full use of a wide range of resources for development, including private finance, domestic revenues, and South-South co-operation, in addition to official development assistance (ODA) which remains a key instrument in development particularly for countries most in need.

14. ***Improving Efficiency of the Organisation***: We remain committed to strengthening OECD's efficiency, effectiveness and impact. We welcome the role of the Secretary-General in proposing new initiatives, including his Strategic Orientations. We continue to work on the OECD's governance review with a view to its completion by the end of 2014. We also look forward to the results of the Value for Money project.