

**TUAC** trade union advisory committee to the  
**OECD** organisation for economic cooperation and development  
**■ CSC** commission syndicale consultative auprès de  
**OCDE** l'organisation de coopération et de développement économiques

**OUTCOME OF THE MEETING  
OF THE OECD COUNCIL AT MINISTERIAL LEVEL  
Paris, 15-16 May 2007**

**EVALUATION  
By the TUAC Secretariat**

*“Making globalisation equitable requires good policy not management of perceptions”*

The 2007 OECD Ministerial Council, chaired by the Spanish Vice-Prime Minister and Finance Minister, Pedro Solbes together with the associated OECD Forum focussed on the theme “Innovation: Advancing the OECD Agenda for Growth and Equity”.

The decision taken with most immediate impact was to invite five countries, Chile, Estonia, Israel, Russia and Slovenia, to open negotiations to become full OECD members, a process which is expected to take at least two years. Ministers also called for strengthening OECD engagement with a range of large non-member countries, notably Brazil, India, Indonesia, China and South Africa with a view to possible membership. It is questionable how realistic membership of some of this latter group of countries is even over a medium term time horizon. Early membership of China would not be compatible with Ministers’ self-defined mission for the OECD of “promoting peace, stability, prosperity, and democratic values through sound economic policies and good governance”. Ministers also “invited the organisation to remain true to its founding vision and high standards”. TUAC will be working with our Global Unions partners to ensure that workers in these countries have a real voice in the discussions taking place at the international level and to ensure that respect for fundamental workers’ rights as defined by the ILO remains part of membership obligation. The Ministers also noted that there will be an enhanced relationship of the OECD with the G8 particularly regarding its relationship with the larger emerging economies. TUAC will be calling for an enhanced relationship between the OECD and the ILO.

The second main area of discussion reflected in the Ministers’ conclusions was the issue of globalisation. Here Ministers finally acknowledged that adjustment difficulties for workers may arise as a result of globalisation. However if, as the OECD Secretary-General wishes, the Organisation is to become the “hub of dialogue on globalisation” it must go further than simply recognising these problems and ensure that there is far more equity introduced into the global system of investment and trade through good domestic policy and effective international, social and environmental rules. The Ministers say that globalisation is inexorable, however, it can be directed and managed by appropriate regulation and good policy. The OECD must now give meaning to the word “equity” which appears in the Ministerial theme and look at the real distribution of costs and benefits of globalisation. Too often the Ministers’ conclusions appear to indicate that the main problem is “assessing and communicating the benefits of globalisation”. The conclusions do recognise in the context of the OECD Jobs Strategy that policies should provide “adequate jobs and income security to workers”. The debate on this issue formed a central part of the BIAC/TUAC consultations

which is also referred to in the conclusions. The conclusions also comment on the discussions on the “political economy of reform”. They note that reforms are rarely painless, however, the real problem is the pain and benefits of reform are currently unjustly shared in most OECD countries. In the consultations TUAC called for reform to be handled through effective social dialogue. This is partly recognised when Ministers emphasize the need “to involve the social partners in reform efforts” in the conclusions. Whilst being relatively optimistic on the current economic outlook, the Ministers’ conclusions noted that “concerns were voiced with respect to energy prices, the role of hedge funds, the rich valuation of some types of assets and the evolution of current account imbalances”. The Ministers do not give clear indications of appropriate policy responses to these concerns nor do they acknowledge the need to strengthen the existing OECD tools such as the Guidelines on Multinational Enterprises.

The third main area in the Ministerial conclusions relates to the decision to launch a horizontal innovation strategy in the OECD. TUAC welcomes the acknowledgement by Ministers that innovation encompasses beside a technological dimension also a social dimension. This needs to be taken into account in the process of formulating an OECD Innovation Strategy. Beside a focus on evidence-based analysis, future work needs to open up an avenue for participatory approaches to examine how to give workers a “voice” in the innovation process. In order to facilitate innovation and change, the knowledge and experience of the workforce needs to be taken into account. Moreover, innovation must contribute to improving the quality of jobs.

TUAC will be closely monitoring and engaging our affiliates and Global Unions partners in the follow-up to these conclusions.