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The activities of the Organisation for Economic Co-operation and Development (OECD) in 2008-2009

Contribution[1]
Social, Health and Family Affairs Committee
Rapporteur: Mr Luca VOLONTÈ, Italy, Group of the European People's Party

1. The rapporteur congratulates Ms Anna Lilliehöök on her excellent report on the activities of the Organisation for Economic Co-operation and Development (OECD) in 2008-2009. He notes and endorses the invitation to the OECD, in coordination with the other international economic and financial institutions concerned, to support member states in their actions to counter the effects of the current recession and to offer guidance in designing structural reforms. These should aim at restoring confidence and at strengthening the social, economic and financial fabric of our societies.

1. Relevance of OECD data and analyses for the committee's work

2. The rapporteur would like to take this opportunity to recall that the Social, Health and Family Affairs Committee has made extensive use of OECD data and analyses for its debates and reports. The following are a few examples of the main topics of interest to this Committee during the past year:

2.1. OECD employment and labour market analyses, as well as employment statistics, indicators and estimates derived from the European and national labour force surveys, served as a basis of reflection for the committee's work on promoting active ageing and capitalising on older people's working potential.

2.2. OECD family and child well-being statistics fed the Committee's work on family cohesion as a development factor in times of crisis, in particular the data and analyses on reconciling work and family life.

2.3. The OECD work on health policy, most notably the measurement of the performance of health care systems in member countries, as well as recent health statistics and indicators concerning investments in disease prevention and health promotion, allowed a thorough discussion on health care prevention policies in the Council of Europe member states.

2.4. The OECD development co-operation report offered relevant statistics and analyses on the latest trends in international aid, which were taken into consideration for the committee's work in the framework of the 15th anniversary of the International Conference on Population and Development Programme of Action, which resulted in a call for more funding for this programme.

1. See Doc. 11985, report of the Committee on Economic Affairs and Development.

2. Tackling poverty and social exclusion: reconsidering the role of the family

3. The Social, Health and Family Affairs Committee met in London on 12 June 2009 and discussed the impact of the global crisis on families and the environment with a number of experts. With this contribution, the rapporteur would like to offer some food for thought on behalf of the Committee. He also wishes to encourage the OECD to reflect further as to the nature and operation of the today's market economy and to develop forward-looking approaches and responses to the current crisis.

4. High unemployment, exclusion and poverty tear at the fabric of society and unravel economies. Finding ways to boost employment and improve social welfare by reforming labour markets, tackling poverty and social exclusion, adjusting social systems to ageing societies and ensuring that children are nurtured by their families should remain a key priority for OECD countries.

5. The rapporteur welcomes the restated OECD Jobs Strategy, which provides a framework for assessing policy responses to support those most affected by the economic downturn and calls in particular for adequate income support to those who are at risk of falling into poverty, while ensuring that job-seeking is effective.

6. Attention should remain focused on vulnerable groups particularly affected by the recession: youth, immigrants, low-skilled and older workers and those with temporary contracts, who may become trapped into long-term unemployment, as shown by the 2008 OECD report "Growing unequal? – Income distribution and poverty in OECD countries".

7. The rapporteur notes with concern that the most substantial shift in poverty trends over the past two decades has been between age groups: the risk of poverty for older people has fallen, while poverty among young adults and families with children has risen. Poverty rates for children and young adults are now around 25% higher than the population average, whereas they were below or close to that average 20 years ago. Single-parent households are three times more at risk of poverty than average households.

8. The situation of children in a crisis-stricken economy is of special concern to this committee. OECD findings show that children living in countries where there is large gap between rich and poor are less likely to improve on the education and income attainments of their parents than children living in countries with low income inequality.

9. In the rapporteur's views, both academics and policymakers should pay special attention to the family, including low-income families and particularly those already in debt, one-parent families, large families and those with few educational qualifications, who will find it difficult to compete in a crowded job market.

10. The family should be considered as one of the essential resources that can help the recovery of the economic system. In times of social upheaval and economic crisis governments too often expect families alone to act as "social shock-absorbers" through internal solidarity between their components. This is impossible for families alone – they must be recognised for their true worth and for the function that they perform.

11. Policymakers must remain alert to the impact of social policies in respect of the family, working for phased co-ordination of their policies so that they may become "family-friendly" in areas such as labour market participation, fair tax conditions for families, prevention of juvenile poverty, balancing of time spent in working and private life for parents, education and professional training and housing for young couples.

3. Conclusions

12. The rapporteur shares the views of some commentators who believe that we have indeed globalised the economies of nations, but our policies remain resolutely national. There is a mismatch between interconnected economies that are producing global problems and political process that cannot contribute to global solutions. Without better international coordination, there will be more crises, social unrest and the risk of a retreat from globalisation toward the safety and slow growth of protected national economies.

13. However, recent OECD analyses stressed that regardless of whether the rising inequality is due to globalisation or to other reasons, good government policy can make a difference. The current crisis provides an opportunity to address long-term problems, as people are willing to reconsider established conventions. This is why the present crisis also makes it important to face the neglected long-term issues like equality of opportunities, social cohesion, quality of public services and health care systems, as well as protection of the environment.

14. As recently pointed out by the World Heath Organisation, the financial crisis has shown the downside of global inter-dependence. The response must demonstrate the opposite: the benefits of global co-operation. There are positive signs: several countries have made public their commitments to maintain levels of social and health sector spending. Most donors have promised to keep to their commitments for aid spending. Many countries have decided to forge ahead, despite the crisis, with reforms that will make their social and health systems fit for purpose as they face major demographic and social changes.

Amendment N° 1

After paragraph 10 of the draft resolution, insert a new paragraph:

Social and health policy

> *"The enlarged Assembly welcomes the restated OECD Jobs Strategy, a tool of current relevance which provides a framework for assessing policy responses to support those most affected by the economic downturn. Attention should remain focused on vulnerable groups particularly affected by the crisis: youth, immigrants, low-skilled and older workers, and those with temporary contracts, who may become trapped into long-term unemployment. In addition, both academics and policymakers should pay special attention to the family and propose concrete support measures when formulating social cohesion strategies and planning a response to the current crisis."*

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Reporting committee: Committee on Economic Affairs and Development

Committee for contribution: Social, Health and Family Affairs Committee

Reference to committee: standing mandate

Contribution adopted by the committee on 14 September 2009

Secretariat to the committee: Mr Géza Mezei, Mrs Maren Lambrecht, Mrs Silvia Arzilli