



ORGANISATION FOR ECONOMIC  
CO-OPERATION AND DEVELOPMENT



# LISBON COUNCIL

GROWTH AND JOBS SUMMIT 2009

AGENDA 2020

**MAKING REFORM HAPPEN**

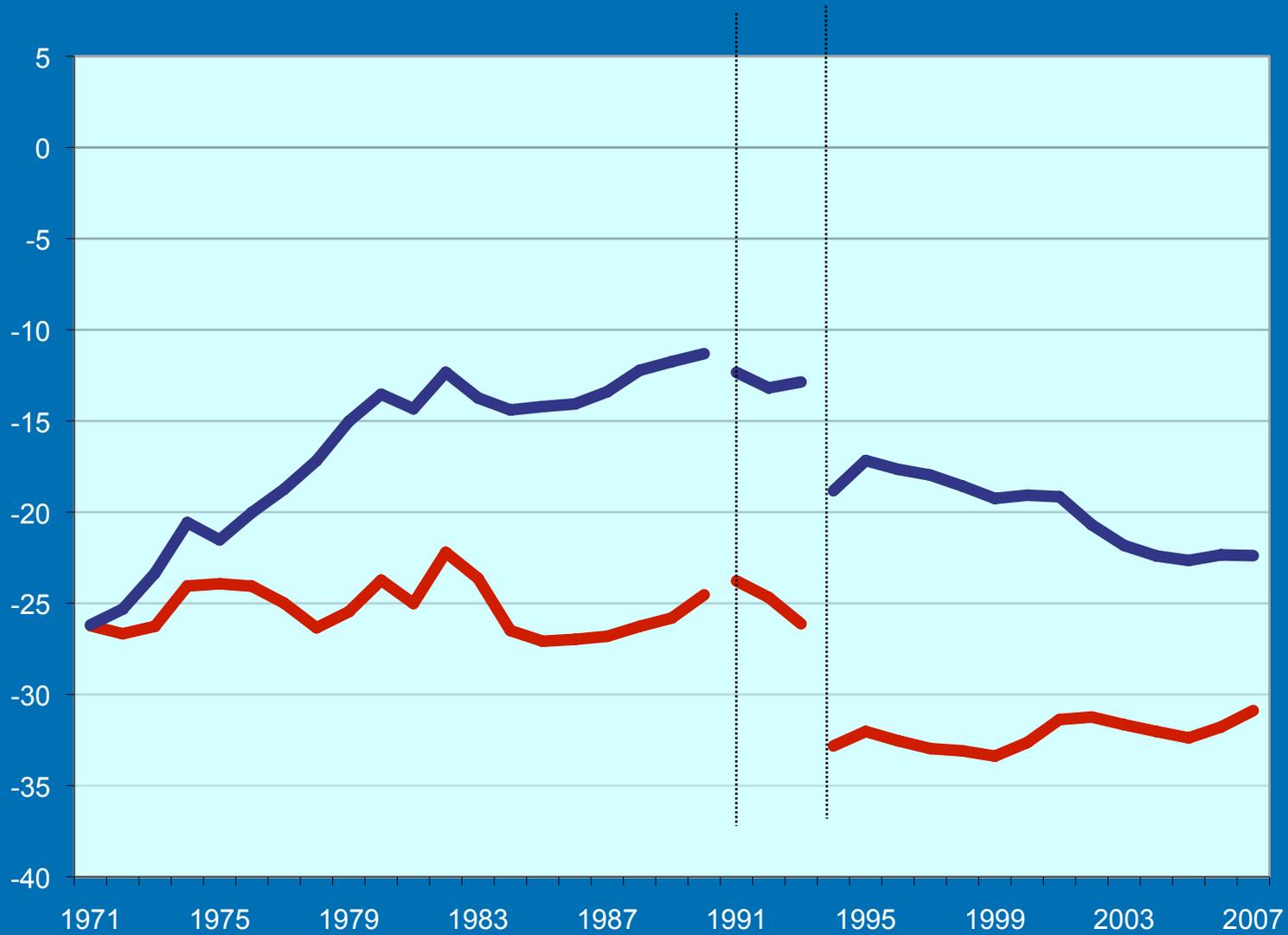
## 10-year agenda is a successful tool if...

- The agenda has focus (like employment, public finance)
- Objectives are measurable and monitored
- The agenda is linked to the working programs and the budgets of EU members and EC

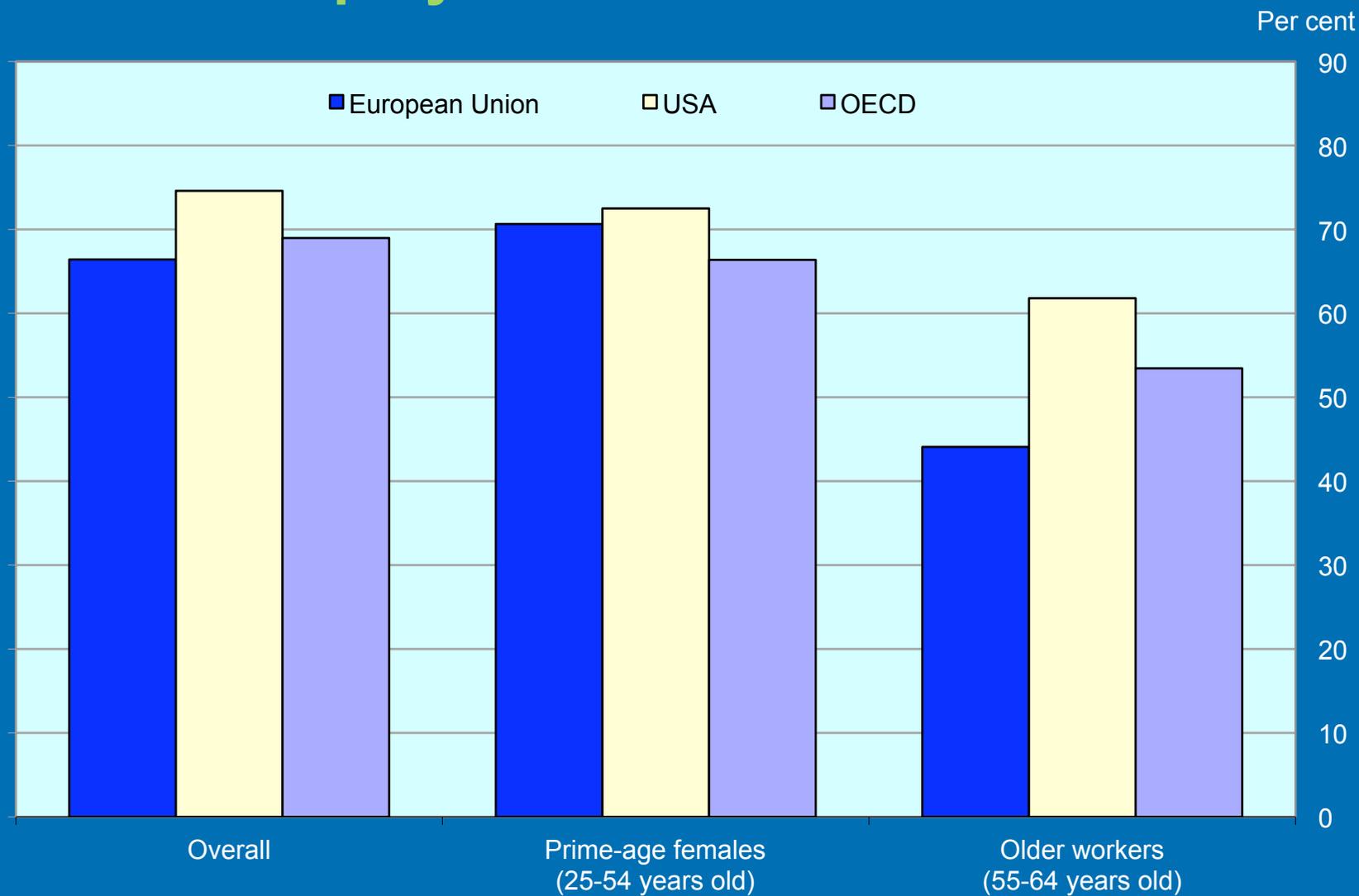
+ to be relevant in 2010 – 2020:

- Respond to the **social concerns** stemming from the crisis
- Include fundamental changes to a **low carbon economy**
- Connect to a **global approach** in which EU is a minority

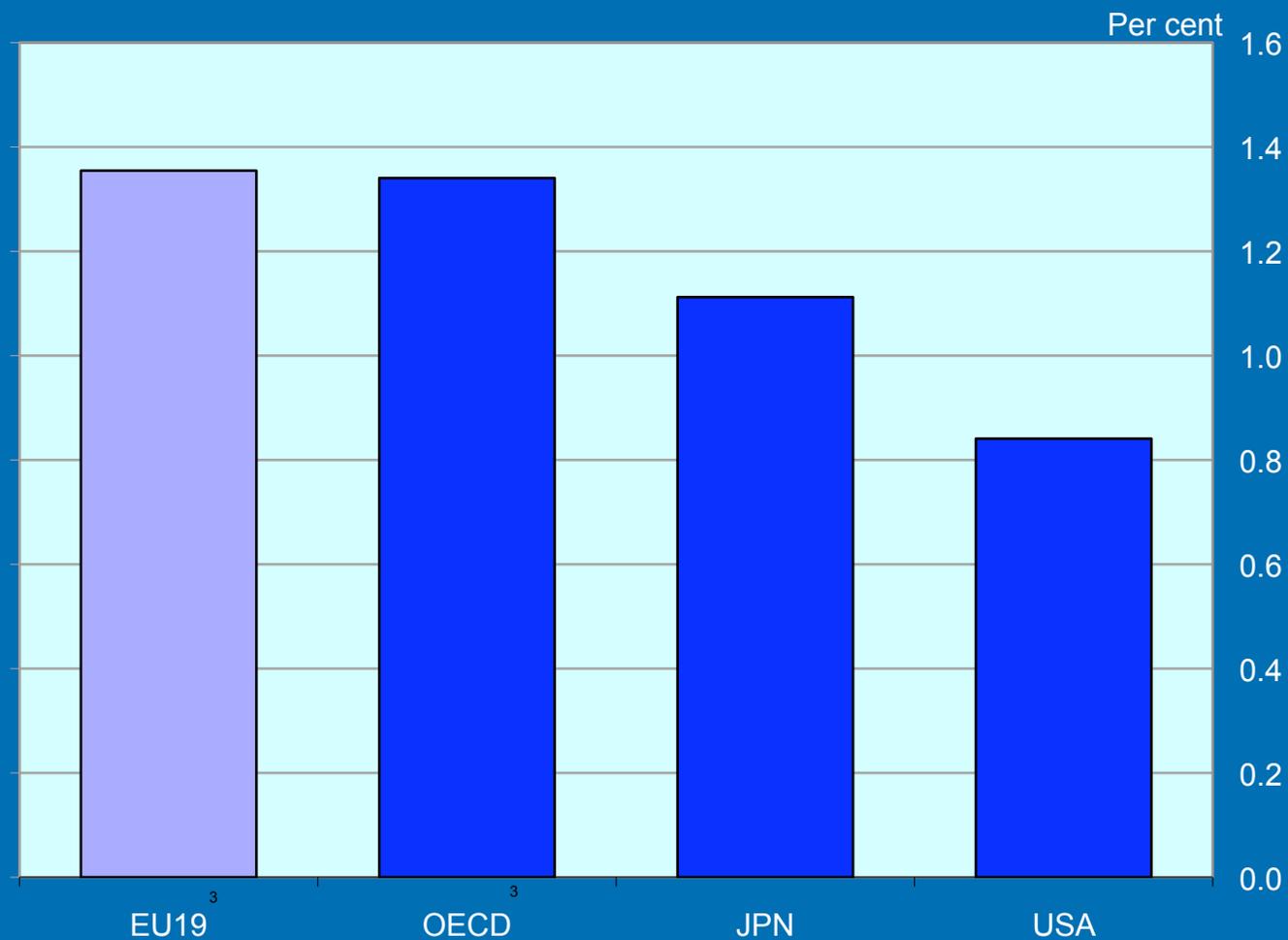
# EU productivity lags behind US



## EU Employment rates are low



## EU product market regulation is tight



## The Crisis and Beyond: Structural Reforms are key

- *“Crisis is an unprecedented challenge”*
- *“Crisis is a terrible thing to waste”*
- Now is the time for structural reforms
- The challenge is not only the “what?” to reform, but also the “**how to make reform happen?**” is important
- The **CAPACITY OF GOVERNMENTS TO REALIZE REFORMS** is a comparative advantage in the global economy



## OECD's capacity to understand reform

- As a forum for governments to compare and exchange policy experiences and identify good and not so good practices, OECD can provide data and evidence based analysis
- OECD has many key stakeholders in reform on board:
  - Centers of Government Network
  - Senior Budget Officials Network
  - Social Partners in BIAC/TUAC
- We provide a horizontal/multidisciplinary view through our Committees and Directorates working in different fields of public policy, and our EDRC working on country studies

## EDRC study: successes and failures

- EDRC reviews 20 successful and less successful reforms
- Australia, France, Germany, Italy, Mexico, Netherlands, Poland, Spain, Sweden, United States
- retirement reforms / labour market / product market
- The findings provide evidence for some general lessons: -
  - *political cycles are more important than economics*
  - *communication and consultation pay off, but cannot substitute government leadership*
  - *dealing with opponents may facilitate adaptation, but need not compromise the reform*

# What counts in Making Reform Happen?



## *“effective ways to realise policy reforms”*

Analytical review of reform efforts in 10 relevant areas  
“How to Make Reform Happen?” in:

- Fiscal Policy (sequencing, bundling?)
  - Tax (compensate losers?)
  - Pensions (communication?)
  - Education (teachers?)
  - Labour Market (consensus?)
  - Health (implementation capacity?)
  - Public Administration (political cycle?)
  - Product Markets (evidence?)
  - Competition Regulations (institutions?)
  - Environment (timing?)
- + common denominators + best practices**

## Partner in Realising Reforms

OECD supports countries in their domestic reforms

- **Mexico:** *Getting it right*, OECD, 2007
- **France:** *Le Pari de la Croissance*, 2007
- **Hungary:** *Reforms for Stability and Sustainable Growth, an OECD Perspective on Hungary*, 2008
- Thematic projects (**Education, Public Administration**)
- Publications, presentations, country visits by experts, seminars with key stakeholders, closed-door sessions to think out of the box, public events to support the case for change

## 2020 agenda: Making Reform Happen

- Global comparison: EU has to do better
- Global crisis: now is the time for structural reforms
- Objectives should be focused, measurable, monitored
- The “learning curve” to realise reforms in EU is long
- Reform efforts can benefit from other’s experiences
- Institutions like EU, OECD, Lisbon Council, but also private institutions like Bertelsmann Stiftung, should contribute to understand how to make reforms happen
- *reform is not a science, but also a handicraft, an art*