

Topic of the week for discussion: 29th Sept. to 5th Oct. 2016

Topic: Falling Behind Schedule



Topic Introduction

The Organization for Economic Cooperation and Development (OECD) is a unique forum where the governments of **34 democracies** with market economies work with each other, as well as with more than **70 non-member economies** to promote economic growth, prosperity, and sustainable development. The Organization provides a setting where governments can compare policy experiences, seek answers to common problems, identify good practice and coordinate domestic and international policies. For more than 50 years, the OECD has been a valuable source of policy analysis and internationally comparable statistical, economic and social data. The OECD was established on **Dec. 14, 1960**, by **18 European nations plus the United States and Canada**. It has expanded over time to include members from South America and the Asia-Pacific region. It includes most of the highly developed economies. Today, OECD member countries account for **63 percent of world GDP, three-quarters of world trade, 95 percent of world official development assistance, over half of the world's energy consumption, and 18 percent of the world's population**. Together with its sister agencies, the International Energy Agency (IEA) and Nuclear Energy Agency (NEA), the OECD helps countries – both members and non-members – reap the benefits and confront the challenges of a global economy by promoting sound energy policies that further: economic growth; energy security; free markets; the increasingly safe, clean, and efficient use of resources to reduce environmental impacts and preserve our climate; and science and technology innovation.

Functions:

The OECD publishes economic reports, statistical databases, analyses and forecasts on the outlook for economic growth worldwide. Reports are variously global, regional or national in orientation. The group analyzes and reports on the impact of social policy issues such as gender discrimination on economic growth, and makes policy recommendations designed to foster growth with sensitivity to environmental issues. The organization also seeks to eliminate bribery and other financial crime worldwide.

The OECD maintains a so-called "black list" of nations that are considered **uncooperative tax havens**. It led a **two-year effort with the Group of 20 (G20)** nations to encourage tax reform worldwide and eliminate **tax avoidance** by profitable corporations. The recommendations presented at the end of the project included an estimate that such avoidance costs the world's economies **between \$100 billion and \$240 billion in tax revenue** annually. The group provides consulting assistance and support to nations in central and Eastern Europe that implement market-based economic reforms.

Current Situation:

Current educational attainments remain far from adequate for the enhancement of personal well-being and social progress, according to a report of the Organization for Economic Co-operation and Development. Immigrant populations are especially disadvantaged, an area that deserves particular attention given the recent scramble for shelter and succour among millions of refugees. The findings in the OECD's *Education at a Glance 2016* report make for sober reading all round, viewed against data on the many rewards individuals and societies are able to reap when endowed with higher qualifications. For instance, people with a master's degree stand a close to 90 per cent wage advantage in the 35 countries of the OECD. Correspondingly, their governments receive over a lifetime about €100,000 in taxes and social contributions more than they invest on a graduate. There has been a 4 percentage point increase in the rate of enrolment in tertiary education in the decade ended 2014. These are encouraging facts; the logical case therefore should be for greater public investment in this sector. But across the spectrum the trend is clearly in the opposite direction. While the report shows an 8 per cent rise in real-term spending per child in the five years up to 2013, it also notes a 14 per cent increase in private expenditure in the region in the same period. Private spending by students and households is estimated at some 30 per cent in the tertiary education sector alone. This has to be viewed against the backdrop of the relentless regime of economic austerity in the years following the financial crisis, with serious implications for equity and the knowledge economies of the future.

A broader issue mentioned in the report, which covers besides OECD members, partner-countries including India, is the likelihood that states may not be able to realise the 2030 Sustainable Development Goal pertaining to the provision of quality education. This concern is echoed in the UNESCO 2016 report. The need to achieve the targets relating to SDG 4, to ensure inclusive and equitable quality education, cannot be overstated, given that it is the pivot on which the realisation of several other fundamentally important developmental objectives remains. Indeed, almost the entire success of the 2030 agenda rests squarely on the education target. The objectives of reduction of poverty, alleviation of hunger, expansion of employment, empowerment of women and gender equality are all influenced by the qualifications and skills that men and women possess. And of course at another level, without an educated and empowered populace, the dream of an enlightened, more tolerant and peaceful world would forever remain elusive.

Read further:

https://en.wikipedia.org/wiki/Organisation_for_Economic_Co-operation_and_Development

<http://www.oecd.org/edu/education-at-a-glance-19991487.htm>

<http://www.radionz.co.nz/news/national/314168/school-funding-in-bottom-half-of-oecd-union>

<http://www.independent.co.uk/news/business/news/brexit-latest-oecd-halves-uk-growth-forecast-due-to-eu-referendum-vote-a7320191.html>