

Let's Make Wisdom Matter! Resilient Economies for Inclusive Societies

Opening Remarks by Angel Gurría, OECD Secretary-General, delivered at the OECD Forum 2014

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(As prepared for delivery)

Prime Minister Bratušek, Mr. Furman, Ministers, Ambassadors, Ladies and Gentlemen:

Welcome to the [2014 OECD Forum](#). Welcome to the [OECD Week](#). Welcome to this quest towards more Resilient Economies for More Inclusive Societies. I cannot think of more urgent endeavours in the realm of public policy and human well-being.

The great Gabriel García Márquez, our dear, recently departed Gabo, who is now surely in Macondo having a coffee with Colonel Aureliano Buendía, once wrote: “*La sabiduría nos llega cuando ya no sirve para nada*”. “*Wisdom arrives to us when it's no longer useful*”. This Forum is an attempt to challenge that warning. After six years of crisis, the world needs our wisdom, our inspiration, our new ideas, now. There are billions of people waiting for that new idea, and that new idea can be born here at the OECD, in these three days.

This is a timely meeting. The global economy is showing important signs of progress. Global GDP is expected to grow by close to 3.5% in 2014 and close to 4% in 2015. Global trade is growing again, with forecasts of 4.7% and 5.3% for 2014 and 2015. Global development aid rebounded last year to reach the highest level ever recorded. This is certainly good news. But it is not enough.

It is still not enough to bring the 202 million unemployed back to a decent job. This is not enough, when we have 73 million youngsters out of work. This is not enough, when inequalities in many countries are now growing faster than before the crisis. And this is certainly not enough, when trust in leaders, governments, parliaments, corporations, banks, rating agencies, regulators and media, is eroding and reaching record lows.

This crisis should be a game-changer. We cannot go back to business as usual, to the same active inertia where high net worth individuals and multinationals don't contribute their fair share to society; where the vulnerabilities of financial systems are camouflaged; where speculation and leverage keep flying high; and where some policy-makers and economists are still clinging to economic models that have been proven obsolete, wrong or unsustainable.

It is time to imagine a new type of growth that is focused on the wellbeing of people, on the benefits of equitable societies, on the trade-offs and complementarities of different policies in favour of human progress. I am talking about what we at the OECD call Inclusive Growth, one of the three main topics of this Forum and a central discussion in our 2014 MCM.

What do we mean by **Inclusive Growth**? Well, basically that economic growth should deliver better living standards for all, and that increased prosperity must imply better social outcomes and greater well-being. A substantial commitment to social inclusion is imperative to achieving sustainable economic growth in the 21st century.

With the right tools and policies, we can make it happen. The [OECD's Inclusive Growth Initiative](#) takes up the

challenge. It aims to enhance policy makers' understanding of the adverse effects of rising inequality on growth, and turn inclusiveness into a driver of stronger economic performance.

The second topic of this Forum is **Jobs**. This is still the centre of gravity of the crisis. The crisis destroyed nearly 14 million jobs across OECD countries. In spite of recent progress, many of our countries are still facing unacceptably high levels of unemployment. A large segment of the unemployed are under 25. A worrying number has been out of work for more than a year. In the Euro area, by the end of 2013, one in two unemployed persons was out of work for 12 months or more (that's 17 million people).

Fixing this deplorable situation implies some of the most complex policy challenges: How to create more decent jobs when companies are sitting on liquidity worth hundreds of billions of uninvested dollars? How to better help the unemployed to re-connect with the labour market when their skills are eroding fast? What kind of labour market rules can help us reduce inequality in a systemic way?

We are here to address these issues. The OECD is helping governments tackle weak labour market adaptability and inadequate skills development. We are monitoring labour markets, training policy responses and migration trends. And we are accelerating our work to deal with youth unemployment with the OECD's "Giving Youth a Better Start".

If education and training don't improve the lives of our youth, because at the end of these efforts they face the unemployment cliff, we will be undermining the most important value for any democracy and any market economy: trust!

This is the third topic that we will address in this Forum. One of the heaviest legacies of the crisis is the erosion of **public trust** to historically low levels. The 2014 Edelman Trust Barometer puts global trust in governments at 44%, with record lows in places like France (with 32%), Mexico (28%) and Poland (19%). These are alarming numbers. The "evaporation of trust" in key institutions, weakens our democracies, erodes social cohesion, makes reform more difficult and damages economic growth.

The OECD has a duty and a responsibility in reinvigorating trust. This Forum will give us the opportunity to test and enrich our work on key areas for public trust, like open and inclusive government, fair and transparent tax rules, anti-corruption policies, financial regulation, financial inclusion, and long term-investments. These are enormously important tools to recover trust in governments and leaders. As Diane Coyle wrote in a blog for this Forum: "we will only be able to make the necessary difficult decisions if there is enough trust in those whose job is to lead us."

To achieve these goals it is also essential that we improve the productivity and the competitiveness of our economies. This is why we are also dealing with the overhauling of tax systems, the better understanding of Global Value Chains, the role of Knowledge Based Capital and the transition to greener economies. We need to look beyond a quick recovery fix to lay the foundations of a new type of growth that makes these crises impossible.

So we will have to challenge conventional knowledge. We will need new economic thinking and acting. This is why the OECD has launched its New Approaches to Economic Challenges Initiative (NAEC), to revise our economics, to question the established models and improve our policy advice.

After all:



What is the point of economics if not to improve people's lives? What is the point of economic policy if not to build more inclusive and harmonious societies? What is the value of international cooperation if not to share our knowledge to raise the living standards of the most vulnerable? Sometimes the simplest questions will generate the biggest truths!

Ladies and Gentlemen:

Please join me in thanking all the people that have made this encounter possible, the sponsors, the speakers and moderators, the interpreters, the technicians, the camera-men, the photographers, and all the OECD members and staff who have worked day and night to have everything ready today. Thanks also to the Japanese Chairman of the MCM who has also been present and supportive of this undertaking.

Let's make the most of this OECD Week to help our countries build more resilient economies and more inclusive societies. I encourage you to actively participate in our panels, IdeaFactories, in our Discovery Lab, and in the new edition of the Better Life Index. Feel free, speak out, dare to get it wrong, get it right, get it!

Let's prove Garcia Marquez wrong: let's make wisdom count... today!

Have a great Forum! Thank you!