



Declaration on Enhancing Productivity for Inclusive Growth

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Please cite this document as:

OECD, *Declaration on Enhancing Productivity for Inclusive Growth*, OECD/LEGAL/0425

Series: OECD Legal Instruments

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Date(s)

Adopted on 02/06/2016

Background Information

The Declaration on Enhancing Productivity for Inclusive Growth was adopted on 2 June 2016 on the occasion of the OECD Council Meeting at Ministerial Level where ministers discussed the twin challenges of slow productivity growth and rising inequality. Ministers notably noted that productivity is a multidimensional concept that requires better measurement tools and data collection and analysis. They also agreed that a broader, more inclusive approach to productivity growth – grounded in investments in education, skills, health, and quality jobs for individuals, and policies that position lagging regions and firms to realise their productive potential, as well as greater focus on facilitating market access and promoting competition, especially in new technology sectors – could be the key to strengthening productivity growth for the benefit of all segments of society. The Declaration aims to identify ways for Adherents to deepen, through the OECD, their understanding of the productivity challenge and its possible links to inequality trends to explore policy solution for enhancing productivity while fostering inclusive growth.

WE, MINISTERS AND REPRESENTATIVES OF Austria, Belgium, Canada, Chile, Colombia, Costa Rica, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States:

CONSIDERING that:

1. In a context of weak global growth, many governments face the challenges of slow productivity growth and increased income inequality and inequalities of opportunities.
2. Some of the causes of slow productivity growth may also be driving inequalities.
3. We need to identify ways to build on technological advances and innovation in order to foster productivity growth in all sectors of the economy, as well as ensuring that this translates into broadly shared gains in well-being.
4. We recognise the need to boost trade and investment to both foster productivity and inclusive and sustainable growth.
5. We need further work to strengthen our understanding of the causes of slow productivity growth and possible links to increased income inequality and inequalities of opportunities.

DECLARE that we:

1. Support the work of the OECD to improve our understanding of the micro and macro-economic underpinnings of aggregate productivity growth and possible links between firm-level productivity, the allocation of resources, increased income inequality and inequalities of opportunities.
2. Call on the OECD to:
 - Identify policies to foster productivity growth while considering its possible impact on inclusive and sustainable growth, promoting synergies and identifying possible interactions.
 - Strengthen our understanding of the relationships between skills, productivity and inclusive growth.
 - Explore policies to reap the benefits of the digitalisation of the economy and societies, and assess its impact on both productivity and inclusive growth in the short and long term.
 - Promote measures to ensure a level-playing field for business by assessing the factors affecting the well-functioning of markets and market entry or exit in specific markets; including those associated with R&D support, regulation, obstacles to trade and foreign investment, competition and taxation.
 - Further explore the contribution of the public sector to productivity.
 - Work further to improve the measurement of public and private sector productivity.
3. Plan to work to foster a dynamic business environment and inclusive labour market for enhancing productivity growth and reducing inequalities, while recognising the benefits of social dialogue.

Adherents*

OECD Members

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France
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About the OECD

The OECD is a unique forum where governments work together to address the economic, social and environmental challenges of globalisation. The OECD is also at the forefront of efforts to understand and to help governments respond to new developments and concerns, such as corporate governance, the information economy and the challenges of an ageing population. The Organisation provides a setting where governments can compare policy experiences, seek answers to common problems, identify good practice and work to co-ordinate domestic and international policies.

The OECD Member countries are: Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States. The European Union takes part in the work of the OECD.

OECD Legal Instruments

Since the creation of the OECD in 1961, around 450 substantive legal instruments have been developed within its framework. These include OECD Acts (i.e. the Decisions and Recommendations adopted by the OECD Council in accordance with the OECD Convention) and other legal instruments developed within the OECD framework (e.g. Declarations, international agreements).

All substantive OECD legal instruments, whether in force or abrogated, are listed in the online Compendium of OECD Legal Instruments. They are presented in five categories:

- **Decisions:** OECD legal instruments which are legally binding on all Members except those which abstain at the time of adoption. While they are not international treaties, they entail the same kind of legal obligations. Adherents are obliged to implement Decisions and must take the measures necessary for such implementation.
- **Recommendations:** OECD legal instruments which are not legally binding but practice accords them great moral force as representing the political will of Adherents. There is an expectation that Adherents will do their utmost to fully implement a Recommendation. Thus, Members which do not intend to do so usually abstain when a Recommendation is adopted, although this is not required in legal terms.
- **Declarations:** OECD legal instruments which are prepared within the Organisation, generally within a subsidiary body. They usually set general principles or long-term goals, have a solemn character and are usually adopted at Ministerial meetings of the Council or of committees of the Organisation.
- **International Agreements:** OECD legal instruments negotiated and concluded within the framework of the Organisation. They are legally binding on the Parties.
- **Arrangement, Understanding and Others:** several ad hoc substantive legal instruments have been developed within the OECD framework over time, such as the Arrangement on Officially Supported Export Credits, the International Understanding on Maritime Transport Principles and the Development Assistance Committee (DAC) Recommendations.