OECD Employment Outlook 2021: How does your country compare?

As vaccination campaigns continue and some countries begin to loosen COVID restrictions, economic growth is expected to accelerate. The unprecedented levels of assistance that countries have provided through job retention schemes and income support have saved up to 21 million jobs and helped many households make it through the pandemic. In many ways, there is light at the end of the tunnel.

But this light burns more brightly for some than others. We know that the COVID-19 pandemic has deepened already existing social and economic divides, between those with high skills and high incomes and those without, between generations, between men and women, between those with good jobs and those with precarious jobs or no jobs at all. Unemployment is high and jobs are not expected to make a rapid recovery. Reaching pre-pandemic employment rates may take several years.

A slow rebound in jobs increases the risk of long-term unemployment…

… while the COVID-19 pandemic has exacerbated social and economic divides, a situation that risks continuing into the recovery

These are steep challenges. But this moment also brings a once-in-a-lifetime opportunity to rebuild more resilient labour markets, addressing long-standing structural issues that have been exacerbated by the COVID-19 crisis. Failing to address inequality and exclusion now is likely to result in deeper social divisions and have a negative impact on productivity and the economic recovery.

After previous crises, most countries quickly tightened the public purse strings. This time, however, countries are committing unprecedented resources to the recovery over the next 5 to 10 years. The United States, for example, has pledged trillions of US dollars, while the European Union is borrowing on behalf of its member countries for the first time to support often large national recovery and resilience plans. Investing in productivity and jobs will help get people back into work.

[OECD reports to G7 on need to strengthen economic resilience against crises]

23/03/2021 – Creating an emergency Rapid Response Forum to ensure global supplies of essential goods continue to flow during major international crises is one of a broad range of recommendations contained in a new OECD report to the G7 on building economic resilience.

[Fostering Economic Resilience in a World of Open and Integrated Markets] says the devastating impacts of the Global Financial Crisis and now the COVID-19 pandemic will continue to leave lasting scars on our economies and societies. With the risk of other systemic threats on the horizon – starting with climate change but also spanning security threats, including cyber attackss – it is critical to learn the lessons of these and previous crises in order to tackle the vulnerabilities of our economic system, absorb shocks and engineer a swift rebound.

Ensuring the resilience of global supply chains of essential goods is crucial, the report says. An emergency Rapid Response Forum would provide G7 and other governments with a means of upstream policy co-ordination and, particularly, consultation ahead of the imposition of any trade restrictions. Such an initiative could also prepare timely co-operation on logistics, transportation, procurement, planning and communication.

Commissioned by the UK government, which is currently holding the G7 presidency, the OECD report underlines the need for governments to co-operate both with the private sector through, for instance, supply chain stress tests and emergency planning, and with other countries to boost transparency, discipline export restrictions and adhere to international regulation and standards.

The report says the COVID-19 crisis has caused a huge surge in demand for certain goods, notably in the health and information technology sectors but argues that global supply chains have been part of the solution. After shortages of masks and personal protective equipment, in particular at the beginning of the pandemic, both global production and trade of facemasks later increased tenfold to meet demand.

Strategies based around a reliance on domestic production are unlikely to ensure supply of essential goods and can remove important risk management options such as the diversification of sourcing, the report says. Although temporary scale-up of domestic production for essential goods could be explored as a risk management strategy, reliance on domestic production is not cost-effective nor feasible for strained health budgets, especially for lower income countries, which are almost entirely dependent on global markets to source medical products related to COVID-19. Global supply can allow products to be sourced from the most efficient and cost-effective supplier and enable access to more and different varieties of medical products, ensuring that future surges in global demand are fully met.

Presenting the report alongside Lord Sedwill, chair of the G7 Panel on Economic Resilience, OECD Secretary-General Angel Gurría said: “As we have seen in the past decade alone, in today’s interconnected world, shock events can quickly cascade across borders and economic sectors, and have devastating effects on people’s lives, jobs and opportunities, and on their trust in governments, institutions and markets.”

“Building economic resilience in the face of future shocks is a global challenge for the post-COVID world. For global markets and supply chains to serve as a source of resilience, governments and the public need to have the confidence that markets are and will remain open and fair, including during times of stress.”

Lord Sedwill said: “The unprecedented impact of the covid pandemic on the global economy has highlighted issues of resilience, arising from the growth of monopolies, geopolitical trade tensions, global economic governance falling behind innovation and technology, and the supply of the critical elements essential to the future economy. In response, we should renew our common purpose and commitment to open, well-regulated global markets which promote the green transition, inclusive growth and economic resilience as we build back better.”

The report looks at how to build resilience in global markets, including by reducing distortions and promoting a level playing field for competition, trade and investment. Ensuring global markets are reliable and predictable includes ensuring access to critical raw materials. This calls for enhanced co-operation to develop international agreements for stronger monitoring, notification and disciplines on export restrictions on critical raw materials, promoting responsible sourcing and increasing circularity in this sector. Tackling harmful practices that undermine trust such as foreign bribery is also key.

The OECD proposes governments revise their risk management policies and frameworks to ensure a systemic all-hazards-and-threats approach to resilience with international co-operation playing a central role. This could be supported by a comprehensive evaluation of the lessons learnt from the COVID-19 crisis, including benchmarking and comparison of national preparedness responses.

The OECD says emerging technologies, particularly digitalisation, can contribute to boosting resilience through prevention, absorption and recovery capabilities but can also pose threats. Among its recommendations, the report says governments could strengthen the responsiveness of innovation systems to global policy challenges, reconsidering the way they are organised, structured and financed. It also proposes linking support for innovation more closely to broader public policy objectives and improving international collaboration on emerging technology governance, including by moving towards smarter and more agile regulation.

For further information, journalists are invited to contact the OECD Media Office (tel. +33 1 4524 9700)

Working with over 100 countries, the OECD is a global policy forum that promotes policies to improve the economic and social well-being of people around the world.

With its strong enforcement record, the United States confirms its leading role in the fight against transnational corruption

17/11/2020 – The United States continues to demonstrate an increasing level of anti-bribery enforcement, having convicted or sanctioned 174 companies and 115 individuals for foreign bribery and related offences under the Foreign Corrupt Practices Act (FCPA) between September 2010 and July 2019. The United States is thus commended for a significant upward trend in enforcement and confirming the prominent role it plays globally in combating foreign bribery.

The 44-country OECD Working Group on Bribery has just completed its Phase 4 evaluation of the United States' implementation of the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and related instruments.

Given developments since the United States' last evaluation in 2010, the Working Group made a range of recommendations to the United States, including to:

- Consider ways to enhance protections for whistleblowers who report potential FCPA anti-bribery violations by non-issuers and provide further guidance on available whistleblower protections;
- Continue to further evaluate and refine policies and guidance concerning the FCPA;
- Make publicly available the extension and completion of NPAs and DPAs with legal persons in foreign bribery matters as well as the grounds for extending DPAs in FCPA matters;
- Continue to evaluate the effectiveness of the Corporate Enforcement Policy in particular in terms of encouraging self-disclosure and of its

deterrent effect on foreign bribery; and

- Continue to address recidivism through appropriate sanctions and raise awareness of its impact on the choice of resolution in FCPA matters.

The report praises the United States for its sustained commitment to enforcing its foreign bribery offence as well as its key role in promoting the implementation of the Convention. This achievement results from a combination of enhanced expertise and resources to investigate and prosecute foreign bribery, the enforcement of a broad range of offences in foreign bribery cases, the effective use of non-trial resolution mechanisms, and the development of published policies to incentivise companies' co-operation with law enforcement agencies.

The report also notes a large number of positive developments and good practices, such as the DOJ's reliance on several theories of liability to hold both companies and individuals responsible for foreign bribery, and the United States' successful co-ordination that has allowed multi-agency resolutions against alleged offenders in FCPA matters. In parallel, the United States has increasingly sought to co-ordinate and co-operate in investigating and resolving multijurisdictional foreign bribery matters with other jurisdictions. Finally, the United States has helped foreign partners build their capacity to fight foreign bribery through joint conferences and peer-to-peer training thus enabling the law enforcement authorities of these countries to better investigate and sanction prominent foreign bribery cases.

The United States' Phase 4 report was adopted by the OECD Working Group on Bribery on 16 October 2020. The report lists the recommendations the Working Group made to the United States on pages 111-113, and includes an overview of recent enforcement activity and specific legal, policy, and institutional features of the United States' framework for fighting foreign bribery. In accordance with the standard procedure, the United States will submit a written report to the Working Group within two years (October 2022) on its implementation of all recommendations and its enforcement efforts. This report will also be made publicly available.

The report is part of the OECD Working Group on Bribery's fourth phase of monitoring, launched in 2016. Phase 4 looks at the evaluated country's particular challenges and positive achievements. It also explores issues such as detection, enforcement, corporate liability, and international co-operation, as well as covering unresolved issues from prior reports.

For further information, journalists are invited to contact the OECD's Media Relations Division on (33) 1 45 24 97 00 or news.contact@oecd.org. For more information on the United States' work to fight corruption, please visit http://www.oecd.org/daf/anti-bribery/unitedstates-oecdanti-briberyconvention.htm.

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