



Assessment of the Role of the Organisation for Economic Co-operation and Development (OECD) In Global Governance: Developing Country's Perspectives

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Authors' contributions

This work was carried out in collaboration between both authors. Both authors read and approved the final manuscript.

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ABSTRACT

In the world of today, both developed, developing, and underdeveloped countries have realized that they cannot achieve much on their own, hence the need for partnership or collaboration with other countries to achieve set goals. The Organisation for Economic Co-operation and Development (OECD) is an intergovernmental economic organisation in which member countries discuss and develop key policy recommendations that often serve as the basis for international standards and practice. The paper will assess the role of the organisation and its impact on global governance. The research is doctrinal and makes use of primary and secondary sources of materials, such as journals, books, and internet materials to x-ray the organisation's history and development from

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inception, its roles, and powers etcetera. The paper also considers the challenges faced by the organisation in the discharge of its functions, as well as examines how the organisations' global governance affects the economy of countries and draws lessons that can positively impact the economy of countries. The paper concludes with some recommendations.

Keywords: OECD; global governance; economy; developing countries.

1. INTRODUCTION

"The Organisation for Economic Co-operation and Development (OECD) was founded in 1961 and is headquartered in Paris, France. Membership in 2023 includes 38 countries, that joined the OECD as a sign of their commitment to market economies and individual democracy". "The organisation also has centres in Berlin, Mexico, Tokyo, and Washington D.C, in addition to its headquarters, which are part of the organization's public affairs and communications team" [1].

"The OECD Secretariat carries out the work of the OECD. It is led by Secretary-General Mathias Cormann (appointed on 1st June 2021 for a five-year term), and the Secretariat employs approximately 3,300 people" [2]. "This organization was created to stimulate world trade and economic development. The OECD's mission is to promote policies that improve people's economic and social well-being. During its 60th anniversary, the OECD shared its vision for the next decade as": [3].

"This year, we the members, with the European Union fully participating, celebrate the 60th anniversary of the foundation of the OECD. We form a like-minded community, committed to the preservation of individual liberty, the values of democracy, the rule of law, and the defence of human rights. We believe in open and transparent market economic principles. Guided by our convention, we will pursue sustainable economic growth and employment while protecting our planet. Our shared endeavour is to end poverty, tackle inequalities, and leave no one behind. We want to improve the lives and prospects of everyone, inside and outside the OECD. As a global pathfinder, the OECD will therefore continue to develop an evidence-based analysis that helps generate innovative policies and standards to build stronger, more sustainable, and more inclusive economies, inspiring trust and confidence for resilient, responsive, and healthy societies".

"The Organisation provides a forum where governments can work together, share experiences, and seek solutions to common problems. The organisation works with governments to understand what drives economic, social and environmental change. They measure productivity and global trade and investment flows and analyse and compare data to predict future trends. Its roles include setting, international standards on a wide range of issues, from agriculture and taxes to chemical safety" [4].

"The organisation also addresses issues that directly affect everyone's daily life, such as how much tax and social security people pay, and how much free time they have. They compare how each country's school system prepares young people for modern life, and how each country's pension system takes care of its ageing population. The organisation recommends policies aimed at improving people's quality of life, based on facts and practical experience. They work with businesses, through the OECD's Business and Industry Advisory Committee, and with workers, through its Trade Union Advisory Committee. The organisation has active interactions with other civil society organisations as well. In cooperation with other international organisations such as the World Trade Organisation (WTO), the OECD supports trade between member and developing countries and publishes statistical reports and results on trade performance and development indicators" [5] ¹"What their activities have in common is a commitment to a market economy based on democratic institutions and aimed at the well-being of all citizens. To commemorate its 50th anniversary, the OECD's focus on government support was divided into five key areas": [6]

- i. There is a need to restore confidence in markets and the institutions and

¹ OECD/World Trade Organization, "Aid, Trade and Development Indicators for Nigeria", in *Aid for Trade at a Glance 2019: Economic Diversification and Empowerment, 2019*, OECD Publishing, Paris. <https://doi.org/10.1787/a35c6fda-en>

- businesses that make them work. That requires improved regulation and effective governance at all levels of political and economic life.
- ii. Restore sound public finances as the basis for future sustainable economic growth. In parallel, the organization is exploring opportunities to promote and support new sources of growth through innovation, environmentally friendly 'green growth' strategies and the development of emerging markets.
 - iii. Fostering new sources of growth and innovation.
 - iv. Underpinning innovation and growth. The OECD ensures that people of all ages can develop the skills to work productively and satisfactorily in the jobs of tomorrow.
 - v. "The necessity to promote inclusive growth and sustainable development" [7].

US commentator Kimberly Amadeo defined the Organisation for Economic Co-operation and Development (OECD) as; "a confederation of 38 countries in Europe, North America, and the Pacific. Its members and major partners account for 80% of global trade and investment [8]. "Its purpose is to promote the economic well-being of its member states, coordinate their efforts, and assist developing countries outside of its membership. The Company was originally based in Europe; but has expanded its reach to operate more globally. It is working to add six of the fastest growing emerging market countries to its membership" [9] ².

"It is important to note that any changes in OECD countries will have an impact on the rest of the world, especially those that make up the Group of Industrialised Seven (G-7). Their experience is critical for developing, emerging and transition countries affected by common economic forces, such as technological innovation, trade liberalisation, and rising real interest rates, to the degree that the OECD experience is mediated by specific social institutions and public policies" [10] ³.

"A number of emerging economies are working closely with the organisation to gain its

membership, but the process seems lengthy and elaborate. Countries must be reviewed by up to 20 OECD committees to ensure that the country complies with OECD tools, standards, and benchmarks. A country vying for membership must be prepared to reform its economy as necessary to meet corporate governance, anti-corruption, and environmental protection standards. The laws of the country may even need amendment to meet the standards of the OECD. Countries under consideration for approval include Brazil, China, India, Indonesia, Russia, and South Africa" [11].

This paper is divided into six parts, the first part (1) is the introduction, and the second part (2) deals with the history, development and organisational structure of the organisation. Part (3) discusses the role and function of the organisation and part (4) covers the OECD, global governance, and its impact on developing countries. Part (5) addresses organisational challenges and prospects, and the final part concludes the work with recommendations.

2. HISTORY, DEVELOPMENT AND ORGANISATION

"The OECD was born out of the Organisation for European Economic Cooperation (OEEC), which began implementing the Marshall Plan to rebuild Europe in 1948 after World War II" [12]. "Its purpose was to help European governments recognize their economic interdependence" [13]. In this way, it was one of the roots of the European Union, going back to the rubble of Europe after World War II. After World War I, European leaders were determined to avoid the mistakes of their predecessors. They realized that the best way to ensure lasting peace was not to punish the defeated, but to foster cooperation and reconstruction. Thus, the Organisation for European Economic Cooperation (OEEC) was established to implement the Marshall Plan to rebuild the war-torn continent. By enabling governments to recognize the interdependence of their economies, they paved the way for a new era of cooperation that will change the face of Europe.

"Buoyed by its success and the prospect of promoting its activities globally, the Organisation for Economic Cooperation and Development was established following the completion of the Marshall Plan, the accession of Canada and the United States, and the signing of the new OECD Treaty on December 14, 1960, OECD was

² Amadeo Navarro Zapata, María and José: *Determinants of High-Tech Exports: New Evidence from OECD Countries* *Journal of the Knowledge Economy*, 6 January 2023

³ Anthony Atkinson, "5 Equity Issues in a Globalizing World: The Experience of OECD Countries" <https://www.elibrary.imf.org/display/book/9781557757883/ch09.xml>

officially launched. However, it came into full effect on September 30, 1961” [14].

“Currently, thirty-eight OECD member countries around the world regularly work with each other to identify, discuss and analyse problems, and promote action to solve them. Its achievements are remarkable. In the years since the OECD was founded, for instance, the United States’ national wealth measured as gross domestic product per capita, has nearly tripled. More so, impressive progress has been recorded in other OECD countries. The same is true of countries that only a few decades ago played a small role on the world stage. China, India, and Brazil have emerged as new economic powers due to their cooperative relationships and institutional engagements with the OECD. Most countries that were part of the former Soviet bloc have either joined the OECD or adopted its standards and principles to achieve common goals. Through its enhanced engagement program (rather than membership in the OECD), the organisation now maintains close ties with Brazil, China, India, Indonesia, Russia, and South Africa. The OECD brings together 40 countries that account for 80% of global trade and investment and plays a key role in addressing the challenges facing the global economy” [15].

2.1 Organisation

The Organisation has three main bodies: The Council, Committees, and the Secretariat. The highest authority is the Council, which has the decision-making powers. It is made up of representatives from each member state, usually at the ambassador level. The work schedule is set by unanimous consent by the Council, which governs the organisation and directs its work. The Council meets once a year at the ministerial level to address issues and set the organisation’s priorities for the coming year [16]. The Council also sets the organization’s budget. The budget includes joint spending, public sales of publications, evaluation of all members based on relative economic size, and voluntary contributions. For example, the United States provided her with approximately \$82.2 million in 2012 and approximately \$83.2 million in 2014. This means that the United States contributed 21.58% of the organisation’s budget. However, due to fiscal reform, the US share in the budget decreased to 19.53% in 2018 [17].

The Committee is composed of representatives from all member states. There are approximately

200 committees made up of 40,000 government officials from member countries, as well as representatives from the private sector and labour. They meet to review and contribute to the work of the Secretariat. These Committees often act as channels to provide information on the work being done by officials in member states on economic issues.

The Secretariat comprises of approximately 3,300 staff, primarily economists, scientists, lawyers, policy analysts, digital experts, and other experts, who implement work programs approved by the Council. The Secretariat is therefore organised by substantive areas to reflect the work of the committee, but its structure is flexible enough to accommodate interdisciplinary research [18].

The 13 directorates in the Secretariat focus their work in such areas as Employment and Labour, Environment and Economy, Trade and Investment, Biotechnology, Agriculture, Science and Technology, the internet, Tax and Anti-bribery standards, Gender, Green growth, Public Management, Globalization, and Development. One directorate collects data, monitors trends, and analyses economic development. Meanwhile, other directorates research social changes and evolving patterns in areas such as trade, environment, agriculture, technology and taxation. The organisation has developed the “Better Life Initiative” which aims to comprehensively assess quality of life, and improve people’s living conditions and general welfare [19].

3. ROLE AND FUNCTIONS OF THE OECD

The organisation serves as a medium for the exchange of information, policy dialogue, and coordinated action between countries on a wide range of policy issues. it promotes regulatory cooperation in a wide range of policy areas by providing a platform for policymakers to exchange experiences and set standards through the adoption of legal instruments and policy guidelines [20].

The organisation monitors the economies of member and non-member countries, and its secretariat collects and analyses information on various aspects of society. It utilises information on a variety of topics to help governments succeed in avoiding financial instability and fighting extreme poverty.

3.1 Peer Reviews

This entails monitoring of individual member country's performance by other members of the OECD. This is one of the organisation's core mission, i.e. to help member states gain support to implement of difficult policies in their home countries. Peer review is intended to have critical, informative, and respectful characteristics that stem from the review's purpose of evaluating performance and recommending improvements [21]. One example of peer review was the UK to maintain foreign aid at a commendable level of 0.7%. This was carried out to make sure that the extra money was used efficiently [22].

3.2 OECD Statistics and Reporting

The OECD's primary role is to collect, analyse and report on economic growth data for its member countries. This provides members with the knowledge to increase wealth and fight poverty while offsetting the impact of economic growth on the environment [23].

To make its projections, the organisation continually monitors the economic data of member states. This is done by the committees within the OECD, who analyse the data and make policy recommendations. Member states have the freedom to decide how they wish to implement the OECD's recommendations. Many countries have used the OECD's recommendations to develop formal agreements to enhance international cooperation.

Examples of these agreements include export credit agreements, the treatment of capital movements and prohibitions against bribery. The OECD agreements led to the establishment of standards that all countries must follow regarding taxation and treaties, while also providing recommendations regarding corporate governance regulations, cross-border cooperation on the prohibition of spamming and some harmful environmental practices.

3.3 OECD Reports and Publications

The statistical report is one report that gives the organisation popularity in different countries of the world. The most well-known is the OECD Economic Outlook, which analyses the economic prospects for member countries and non-member countries working closely with the organisation. The Outlook is updated twice a year to be abreast of major events and changes

over time. It provides detailed coverage of the economic policy needs of each member country in the organisation.

Similarly, the OECD Factbook is a 300-page reference document containing crucial social, economic and environmental indicators of member countries and aspirants. Relevant statistics in this regard include population and migration patterns, finance, production and income, labour and employment matters, energy and transportation, science and technology, environment, education, and health.

The organisation also conducts the OECD Economic Survey for each member country every one and a half to two years. The survey summarizes each country's major economic challenges and provides policy recommendations. It is in this light that the organisation recommended that the best way for Greece to overcome its debt crisis was through the implementation of austerity measures that would increase its competitiveness among others [24].

There is also the Going for Growth report which is a comparison of countries based on performance. This was helpful during the financial crisis, as the report highlighted the structural reforms that countries must undertake to recover from the financial crisis. We highlight five key changes to make to drive long-term growth [25]. Sustainable economic growth is the organisation's main goal. The OECD also supports Non-Member Countries.

Among the major concerns for OECD member states have been the issue of bribery and tax havens. This has led to changes in some legislations in the U.S. regarding international flows of capital and the movement of goods and services around the world. Globalization has grown over the past decade and poses significant challenges to organisations; this is because of its effect on exchange rates and represents an increase in foreign investment and cross-border trade around the world.

A consequence of the global expansion of business transactions is the increasing use of voluntary and industry codes of conduct by multinational corporations and states. One such code promoted by the OECD is the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. The Convention is specific on a number of issues

related to the bribery of public officials [26]. About 39 countries, the United States inclusive, have enacted domestic laws implementing the Convention since it entered into force [27]. More so, the United States has also called on the organisation to update its Rules on counterfeiting and piracy to identify the scale and impact of these activities and to improve law enforcement efforts in OECD countries. Invariably, the organisation contributes to achieving national economic growth while maintaining the financial stability of its members, and providing the basis for future policy implementation [28].

Summary of functions of the OECD:

- Affording a platform for members to find solutions to universal problems, while also organising national and international policies, and comparing policy experiences.
- Monitoring the economic trends related to trade, taxation, technology, agriculture and the environment. The organisation collects accurate data and statistics on the social and economic growth of member states, analyses it and uses it to predict economic development.
- Publish economic statistics and intellectual findings. This information is beneficial to government officials, students and researchers.
- The organisation provides member states with peer review of their performance over a particular period of time.
- To aid the economic development of more than 100 non-member countries, the OECD offers ideas and expertise to them.

4. OECD AND GLOBAL GOVERNANCE: IMPACT ON DEVELOPING COUNTRIES

The organisation works closely with the G20 group of countries to address global imbalances, and structural reforms and also aid the economic recovery of countries from financial crisis and recession. The OECD has provided assistance to the G-20 on a number of issues, such as:

- Restoring growth and jobs: - This is usually done through collaboration with other international organisations such as the International Monetary Fund (IMF). The

OECD supported the G20 to develop a framework for balanced, strong and sustainable growth [29]. Also, with a view to strengthen the global economy the organization promotes institutional investment in long-term assets, such as infrastructural and renewable energy projects [30].

- Anti-corruption –The organisation participates in the G-20 Anti-corruption Working Group in the areas of foreign bribery, whistle-blower protection policies and public sector integrity projects. The organisation's role is to provide leadership in the area of governance and anti-corruption by setting and monitoring standards.
- Supporting the G20 countries in enhancing their response to financial crises
- International monetary system reforms- This is achieved by providing analysis that examines how structural reforms can reduce global imbalances, limit the volatility in capital flows and promote financial integration.
- Tracking the Financial Regulation Agenda – The OECD has developed principles on financial consumer protection, which were adopted at the 2011 Cannes Summit. The organisation supports financial inclusion, especially access to finance for small and medium-sized enterprises (SMEs) [31].
- Taxation – The organisation works with the G-20 to combat tax evasion through a peer review process that provides for the exchange of information regarding tax between countries and the joint OECD/Council of Europe Convention on Mutual Administrative Assistance in Tax Matters.
- Investment in agriculture to combat price volatility, and promote food security; In collaboration with the Food and Agriculture Organisation of the United Nations (FAO), the OECD is involved in the follow-up to the Agricultural Market Information System initiative. This seeks to help improve agricultural productivity and create a conducive environment for private investment in the sector, with the aim of providing food security in the long run [32].
- Phasing out fossil fuel subsidies; The organisation assists countries in implementing their commitments under the Fossil and Fuel Subsidy Initiative. The OECD contributed to the joint reports to

Heads of State and Government for the Toronto Summit in June 2010 and the Seoul Summit in November 2010. It also coordinated the international organisation's report for the Cannes Summit.

- Global value chains – In collaboration with the World Trade Organisation (WTO) and the United Nations Conference on Trade and Development (UNCTAD), the OECD is contributing significantly to global value chains that will bring about sustainable growth for both developed and developing countries.

Furthermore, the organisation works closely with the G8, in doing so, it was given the task of helping Arab countries in transition through the Deauville Agreement with Arab States. This is a transitional initiative adopted by the G8 countries in Deauville, France, in May 2011 to promote political reforms in Morocco, Tunisia, Jordan, Libya and Egypt [33]. The G8 is committed to supporting democratic transitions, strengthening governance, creating jobs, assisting private sector-led growth, promoting economic and social integration, and ultimately promoting regional and global integration. The partnership is also sponsoring an OECD initiative to aid transitioning countries in achieving eligibility for the Open Government Partnership (OGP) initiative [34].

Following an agreement made in 1969 and revised in 1972, the members of the DAC of the OECD had agreed to offer official development assistance made up of concessional funding with a grant element of 25% as the minimum to developing countries whose per capita income is below a fixed threshold (reviewed regularly). Multilateral institutions also benefit from these funds, which are aimed at enhancing the welfare and economic development in those countries. In 2009, any country with a per capita income of \$11,455 or less was considered a developing country for this purpose [35]⁴.

The OECD in collaboration with other institutions organised a conference on building open, fair and transparent government for growth and development in April 2012. Shortly afterwards, the organisation also organised a conference on ways to increase private investment in the partnership countries. In that same year, the U S

State Department, through its office of the US-Middle East Partnership Initiative provided \$1.5 million to the OECD to support open governance and political participation in the Middle East and North Africa [36].

Since its inception, the organisation has focussed on the issue of tax havens in different forms. The 1st convention on tax havens was issued in 1963, with the Draft Double Taxation on Income and Capital. In 1977, it issued the first major update of its draft with the Model Convention and Commentaries to reflect the experience of OECD members with bilateral treaties, increasingly sophisticated methods of tax evasion, and the development of new and more diversified international business activities and relationships.

The Organisation further updated its tax convention in 1991, to reflect the liberalization in capital markets and the globalization of business activities with the Model Tax Convention on Income and Capital. Tax havens have attracted increased attention from policymakers as a result of new efforts to curtail the use of tax avoidance, and attempt to track financial flows that may likely be diverted to illegal activities [37].

The world requires detailed risk management at both domestic and international levels as most authorities want to know how to prevent catastrophes if possible. They also need to know how to be better prepared if these events occur. In most cases, regulations may aid a state to be able to withstand the effects of catastrophic events when they occur. But this requires preparation capacity, and proper assessment, including appropriate incentives. International cooperation may also be needed to effectively control the situation [38].

Worthy of mention at this point is the organisation's effort, since the beginning of the COVID-19 pandemic. The OECD made available data, analysis and recommendations on a plethora of topics addressing the pandemic, including its impact on health, the economy, and employment as well as member country profiles, which featured on an exclusive COVID-19 digital base [39].

It is safe to posit that the OECD does not exist merely for the benefit of members alone as it recognizes the harmonization of the global economy. More so, the organisation reaches out to over 100 developing and emerging countries.

⁴ Deborah Brautigam, "China, Africa and the International Aid Architecture", Working Papers Series NO 107, African Development Bank, Tunis, Tunisia (2010)

This has enhanced trade relationships across the globe as the flow of OECD aid to most sectors and in the development of economic infrastructure in Africa has increased both Africa's imports from and exports to OECD countries [40]⁵. Essentially, global governance plays a vital role in achieving economic growth and reducing inequality.

Global governance is paramount for several key outcomes at the national and sub-national levels, including social cohesion, fighting corruption and enhancing efficiency in public expenditure to achieve sustainable economic growth. In the absence of global governance, there would be extensive informality in the labour market, as well as limited access to education leading to unemployment which is a major driver of inequality [41].

The importance of global governance cannot be over-emphasized in the policy-making cycle, from the design to the implementation and evaluation stages, including the need for inclusive growth. Most government officials are desirous of aligning their vision with a national discussion on outcomes that results in their citizen's satisfaction. The OECD in this regard has undertaken substantial work on measuring well-being and designing some indicators that allow the various aspects of public performance and standard of living to be adequately measured. These indicators include a comprehensive, set of outcome measures, which can be compared at the international level and the government can draw on as a resource in selecting its priorities, and can be used to benchmark progress in achieving its objectives [42]. The OECD has been able to use well-being metrics in policymaking, this has been effectively used in the case of Rome Italy, where a comprehensive consultation process was used to prioritize the dimensions of well-being that mattered most to the citizens, through an online medium, public meetings, workshops, community surveys, etcetera [43].

5. CHALLENGES AND PROSPECTS

Critics contend that the OECD presents a danger to a country's national sovereignty, positing that it is one among a number of international

organisations whose powers virtually exceed the government's authority. That is not tenable because, to influence national policies, the OECD has to persuade national actors of the solutions it seeks to provide in coping with domestic economic problems. The organisation achieves this through the regular country surveys issued for all member states. The organisation utilizes the surveys as a means of pushing its agenda for policy debates and reforms in member countries [44].

The organisation is also viewed with suspicion by some quotas who fear that it may just be an economic consortium dominated by the strong economies of the world and serving mainly their economic and political interest [45]. These groups argue that the OECD is pursuing free trade and open market at the expense of the poorest and least developed countries; the pursuit of free market economies further worsens the disparity of income between the richest and the poorest countries; and that the OECD is promoting the expansion of multinational corporations at the expense of national government and national interests [46]. On the contrary, the OECD provides unique value to its members and even non-member states. The Organisation's member states control considerable portions of the world's economy, and their decisions have the ability to exert substantial influence in shaping global economy and trade policy. The United States benefits from the OECD deliberations and agreements in various fields, including technology, exports and tax policy. Through OECD participation, the United States can work with its allies to promote consensus on global governance norms and standards regarding trade and anti-corruption measures [47].

Some of the challenges confronting the organisation include; how to develop an effective network, a better way to strengthen accountability mechanisms of member states and how to best safeguard public interest in all their activities. Additionally, the productivity impact of the OECD Restated Job Strategy which seeks to formulate pro-employment policies to improve labour market outcomes still remains murky. Other challenges include:

- How to improve data collection methods.
- How to reduce costs to improve prevailing environmental conditions.
- How best to balance global economic growth.

⁵ Aduana Lemi, "Aid for Trade and Africa's Trade Performance: Evidence from Bilateral Trade Flows with China and OECD Countries" *Journal of African Trade* 2017 vol. 4, no 1-2, pp 37-60

There is also the challenge of the economic integration of non-OECD countries like Brazil, China, Russia and India which represent nearly one-fourth of the world's GDP. Another concern for the organisation is the war in Ukraine which has caused a large-scale humanitarian disaster and thrown the global economic recovery into uncertainty. The major influence the countries at war (Russia and Ukraine) have on the global economy stems from their role as major suppliers of a number of commodities including oil and gas, wheat, corn, fertilisers, and a range of metals and minerals. The war reinforces the need for all countries to strengthen energy and food security. The OECD has shown its solidarity for Ukraine, leveraging on the existing cooperation from relevant international partners such as the United Nations, [48]. multilateral banks such as the EIB and the EBRD and international economic organisations such as the IMF and the World Bank Group, to support Ukraine's reconstruction and recovery effort.

Since February 2022, the OECD has strengthened its engagement with Ukraine, and in spite of the restrictions imposed by Russia's invasion of Ukraine, the OECD has continued to support Ukraine in several targeted policy areas, [49]. such as:

- Strengthening subnational capacities and decentralization reform.
- Reviewing competition in the Ukrainian electricity sector.
- Improving the learning outcomes and well-being of Ukrainian students and teachers.
- Supporting the reception and integration of Ukrainian refugees.
- Alignment of reform efforts with OECD tax standards.

The OECD in collaboration with the government of Ukraine recently launched a four-year Country Programme to support Ukraine's agenda for reform, recovery and reconstruction [50] ⁶. The organisation's guiding philosophy is that economic prosperity spreads only in places where open markets prevail for technology, capital and human resources and hence its focus on restoring economic growth across the globe [51].

⁶ *ibid*

6. A CONSIDERATION OF A MEMBER'S PARTICIPATION IN THE OECD; THE CASE OF AUSTRALIA

Australia joined the OECD in 1971, although initial links were established through membership of the OECD's Development Assistance Committee (DAC) in 1966. Australia decided to become a full member because it recognised the importance of exchanging views and exerting influence in an organisation which had established itself as a vital economic consultative forum [52].

Australia continues to place high value on the OECD's evidence-based economic and social policy analysis and advice. The Organisation is an important source of detailed analysis on a wide range of issues of interest to Australia, including trade, agriculture, the environment, climate change, and global food security. Australia is actively involved in the OECD's extensive work programs on core economic policy issues, statistics, labour market issues, digital and cyberspace, governance, education, health, migration and energy.

Australia is closely involved in the OECD's work on promoting structural reform to support long-term growth and wealth creation. An important lesson learnt from the Global Financial Crisis was the need for unilateral economic reform to encourage the development of more flexible and adaptable economies. To achieve this, policies must be complementary and supported by regional and global coordinated initiatives to maximise competition. Furthermore, they also assist the organisation's increasing engagement with emerging and developing countries under its enhanced engagement program as they believe is reflective of the reality of the 21st Century, where global economic influence is no longer dominated by any group [53].

7. CONCLUSION

Following the above discussion, one can state that the OECD is the creation of its member states, therefore it reflects the interest and views of its members and is independent of any other international organisation. Free trade and open markets have proven to be the best route to economic development and to higher national incomes. The organisation has committed itself to making the benefits of free trade and open markets more accessible to developing economies while also promoting a better

understanding of the economic and social problems of developing countries.

The importance of this organisation to the economic growth and development of member states and developing countries cannot be over-emphasized. Despite the competition faced by other organisations, the OECD remains a powerful driver in increasing economic efficiency and improving living standards in Europe and across the globe.

It is recommended that the organisation should consider expanding to have a better member state diversity, the organisation could benefit from a more robust non-European engagement with other member countries. A case at hand is that of Argentina, whose president has announced his country's intention to ascend to the OECD in 2016, and also drew an action plan in 2017. Since then, Argentina has been closely cooperating with the OECD. Despite these efforts, the organisation has yet to extend the invitation for the formal ascension process to Argentina.

Furthermore, it is also recommended that there should be better synergy between the organisation and the governments of non-OECD countries especially developing countries or their representatives, to identify the areas of collaboration, to enable the effective implementation of OECD Standards and recommendations in these countries. This will promote responsible business conduct across the globe.

Lastly, there should be better awareness among stakeholders in developing countries about the activities, standards and recommendations of the organisation. Representatives of tax authorities, Civil Society Organisations, trade unions, etcetera should be abreast of developments in the organisation, so as to draw lessons or where circumstances permit adapt some of the policies of the organisation and apply it in their local jurisdictions.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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- Colombia, Costa Rica, 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. < Available at <https://www.oecd.org/about/> and <https://www.oecd.org/about/structure/>> accessed 18 September 2023
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