

ORGANIZATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

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Summary

The Organization for Economic Co-operation and Development is an institution where 30 market economy countries discuss, develop and co-ordinate domestic and international policies for achieving sustainable economic growth and employment and a rising standard of living. Exchanges between OECD governments take place in regular committee meetings and are supported by the work of a Paris-based Secretariat. Important contacts also exist between the Organization and non-member economies, as well as with the broader public.

Work covers most government policy areas, including trade, environment, agriculture, energy, technology or taxation and thus deals with practically all aspects of life sciences of interest to government policies.

With respect to the sustainable management of resources, the OECD has developed general guidelines on the elaboration of economic and environmental policies, including the ‘polluter-pays principle’, as well as more specific reflection on waste minimization, promotion of recycling, incentives for the conservation of biodiversity, or international co-operation towards an optimal use of biological resources.

Work on health and safety protection has mainly focused on harmonizing chemical testing and hazard assessment procedures, including with respect to information exchange, developing principles for good laboratory practices and launching co-operative activities on managing chemical risks.

The OECD has also initiated activities to promote climate-friendly approaches when elaborating sectoral policies in the agriculture, transport and energy fields. Particular emphasis was given to energy efficiency, through a better understanding of the economic costs of possible policy measures and the impact of existing and novel ‘green’ technologies.

Biotechnology-related projects in the OECD cover human health applications through the assessment of the socioeconomic aspects of medical innovation, of the potential and risks of xenotransplantation, or of the role of genetics in the field of diagnosis and therapy; agricultural and food applications through the harmonization of regulatory oversight of novel foods and feeds; and environmental and industrial applications through the promotion of bioremediation technologies.

1. The Role and Functioning of the OECD

The Organization for Economic Co-operation and Development (OECD) has 30 member countries. (Australia, Austria, Belgium, Canada, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States.) Its principal aim is to promote policies designed to achieve the highest sustainable economic growth and employment and a rising standard of living in its member countries (Article 1 of the OECD Convention). By sustainable economic growth OECD members mean growth that balances economic, social and environmental considerations and in this regard they engage to promote the efficient use of their economic resources.

Since its inception in 1961 with an initial membership of twenty countries, the OECD has welcomed ten new members. In addition it has gradually established contacts with non-member economies, through dialogue and co-operation programs. For instance, following the collapse of the Soviet bloc in 1989, the OECD launched a program of assistance to the countries of Central and Eastern Europe. At roughly the same time, a program of organized contacts was initiated with the most dynamic economies outside Europe. In Asia, regular dialogue was begun with Hong Kong, China, Malaysia, Singapore, Chinese Taipei and Thailand. In Latin America, links were established with Argentina, Brazil and Chile. These contacts aim to further economic integration by making OECD’s experience available to others and enabling the OECD to profit from

the insights and perspectives of non-members.

The Council of OECD is the highest decision-making body of the Organization. Normally, its participants are the Ambassadors of the member countries to OECD. It is chaired by OECD's secretary-general. However, once a year it meets at the level of Ministers. Amongst other things, the Council decides on the annual budget of Organization as well as the content of the program of work. In addition to the Council, there are around 200 specialized Committees and other bodies (including Working Parties, Working Groups, Task Forces, etc.) which undertake the Organization's program of work. The governments of the member countries nominate the participants to all these groups. The work of the OECD Secretariat is financed by the member countries. The annual contribution of each member country is calculated according to the weight of its economy. The United States is the biggest contributor followed by Japan. Countries can also elect to finance specific programs or projects.

Linked to the OECD, the International Energy Agency (IEA) is an autonomous agency where member countries take joint measures to meet oil supply emergencies, share energy information, co-ordinate their energy policies and co-operate in the development of rational energy programs. In particular, IEA members aim at improving the world's energy supply and demand structure by developing alternative energy sources and increasing the efficiency of energy use; assisting in the integration of environmental and energy policies; and leading international efforts to combat climate destabilization.

The Nuclear Energy Agency (NEA) is a semi-autonomous body within the OECD. Its objective is to contribute to the development of nuclear energy as a safe, environmentally-acceptable and economical energy source through co-operation among its participating countries; and to provide input to government decisions on nuclear energy policy and broader policy areas such as energy and sustainable development.

The OECD is an institution where member countries can discuss and develop both domestic and international policies. It analyses issues, recommends actions, and provides a forum in which countries can compare their experiences, seek answers to common problems, and work to co-ordinate policies. Exchanges between OECD governments are based on the information and analysis provided by the OECD Secretariat in Paris. The Secretariat collects data, monitors trends, analyses and forecasts economic developments, and researches social changes or evolving patterns in most governmental policy areas, such as trade, environment, agriculture, energy, technology, taxation and with the notable exception of defense. This work, in areas that mirror the policy-making structures in ministries of governments, is done in close consultation with policy-makers who will use the analysis, and it underpins discussion by member countries when they meet in specialized committees of the OECD. Much of the research and analysis is published. Work may also lead to formal agreements – as has been the case in order to fight against bribery, to end subsidies for shipbuilding, or to better control international movements of recyclable waste. But more often, discussion makes for better informed work within governments on the whole spectrum of public policy and clarifies the impact of national policies on the international community.

The OECD is an intergovernmental organization, but works increasingly to build contacts with a broader public. As early as 1962, the OECD has established privileged relationships with representatives of business and industry and of organized labor. The Business and Industry Advisory Committee to the OECD (BIAC) represents the principal industrial and employers' organizations in OECD countries. BIAC's role is to provide the OECD and its Member Governments with constructive comments based on the practical experience of the business community. The Trade Union Advisory Committee to the OECD (TUAC) represents over 55 national labor unions in OECD countries. TUAC is also responsible for co-ordinating the trade union input to the annual G8 economic summits and employment conferences. The OECD exchanges views with BIAC and TUAC on matters of mutual concern through formal and informal consultations at various levels. Other Non-Governmental Organizations (NGOs), such as those dealing with environmental protection, development issues or consumer protection, are regularly associated to OECD work, namely through invitations to participate to OECD meetings as observers, but they do not have an official status in the OECD institutional structure.

Practically all aspects of life sciences that interest governmental policies are dealt with in one or more OECD specialized committees, often in the context of multidisciplinary projects (i.e. where an issue is studied from several different perspectives by the corresponding committees working in co-operation). This article will not present all life science related OECD activities in an exhaustive manner, but will focus on a number of them to illustrate the OECD approach in this area.

2. Sustainable Management of Resources

The OECD has been working to integrate environmental factors into economic policy planning since the early 1970s. In 1972 it has formulated the 'polluter-pays principle' to guide appropriate allocation of pollution prevention and control costs.

This principle means that the polluter should bear the expenses of carrying out pollution prevention and control measures decided by public authorities to ensure that the environment is in an acceptable state. In other words, the cost of these measures should be reflected in the cost of goods and services which cause pollution in production and/or consumption, so as to encourage rational use of scarce environmental resources.

OECD work on economic instruments in environmental policy (e.g. charges, taxes, marketable permits or deposit-refund systems) showed that they often send better signals to producers and consumers about environmental resource scarcities than more traditional 'command and control' instruments, and also promote the technological improvements necessary for improving environmental conditions in the future.

A 1990 Act recommended improving the allocation and efficient use of natural and environmental resources by means of economic instruments so as to better reflect the social cost of using these resources. It established a number of criteria, such as environmental effectiveness, economic efficiency, equity, administrative feasibility and cost, and acceptability, under which the choice of the most appropriate instrument should be made.

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Biographical Sketch

Evdokia Moisé is an administrator in the Trade Directorate of the Organization of Economic Co-operation and Development. She is of Greek nationality. She has joined the OECD in 1990 and has worked in a number of different positions in the Nuclear Energy Agency, the Environment Directorate and the Trade Directorate. Prior to joining the OECD, Mrs Moise worked as a lawyer, member of the Athens Bar. Mrs Moise holds a Law Degree from the University of Athens, a Masters Degree in Environmental Law from the University of Paris Pantheon-Sorbonne and a M.D. in International Organizations from the University of Paris Pantheon-Assas.