

Water

Towards
a brighter
future

Our water empire
Unclogging finance
Water governance matters
Israel's water innovations
Deflation watch
Doctors at large



Peru can be as unique
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shiny and multifaceted.

And you can choose which side you
look at first.



READERS' VIEWS

- 2 Philanthropy can exclude; Don't drag feet on pay equity; Sporting together; Twitterings

EDITORIAL

- 3 **Water can be the source of a brighter future**
Angel Gurría

NEWS BRIEF

- 4-5 **Global recovery accelerates; Early gender gaps; Soundbites; Economy; Country roundup; Tax evasion progress; Mental health advice; Plus ça change...**

SPOTLIGHT ON WATER

- 7 **Nurturing our water empire**
9 **Sharp drop**
11 **The water-energy-food nexus**
Naazia Ebrahim
12 **Unclogging the finance**
13 **Water governance at stake**
Aziza Akhmouch
15 **Business brief: Israel: Innovations overcoming water scarcity**
Ariel Rejwan and Yossi Yaacoby,
Watech, Mekorot

ECONOMY

- 17 **Deflation watch**

OECD.ORG

- 18 **China and the OECD celebrate 20 years of co-operation; Global Ireland; Presidential visit; Coffees and conversation**
19 **Recent speeches by Angel Gurría; List of OECD ambassadors**
20 **Calendar; Frankie**

BOOKS

- 21 **Reviews: Tackling dementia with big data; Economics for all**
22 **New publications: Most popular**
23 **New publications: General**
26 **New publications: Focus on water**
27 **Review: Bacteria to the rescue**
OECD Observer crossword

DATABANK

- 29 **Doctors at large; E-government generation**
30 **Main economic indicators**
32 **Pay gap**

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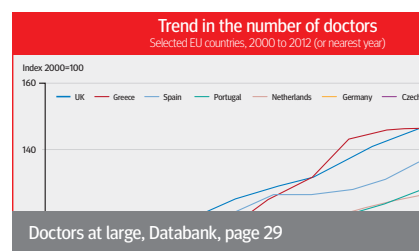
Nurturing our water empire, from page 7



Ripples with unintended benefactors, page 11



Mariana Mazzucato at the OECD, page 18



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Tel.: +33 (0) 1 45 24 9112
Fax: +33 (0) 1 45 24 82 10
sales@oecd.org

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OECD Publications 2 rue André Pascal
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observer@oecd.org
www.oecd.org

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EDITOR-IN-CHIEF: Rory J. Clarke
PLANNING AND DEVELOPMENT EDITOR: Diana Klein
EDITORIAL ASSISTANT: Neïla Bachene
EDITORIAL INTERN: Caroline Fouvet
LAYOUT: Design Factory, Ireland
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Readers' views



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Philanthropy can exclude

The digital era may well be all about inclusion, but often its long reach is at the exclusion of others ("Philanthropy, digital payments and financial inclusion" in No 301, Q4 2014). Digital payments for poor households in the developing world need to be viewed in the same way. Providing access to financial services for some and not all could create an even larger gap not just between the rich and the poor, but also among the one billion people in developed countries who still live in extreme poverty in 2015. Creating a two-tier system among poor households could mean the financially excluded see their livelihoods suffer on the back of an unlevel playing field. Furthering the divide are the long-term consequences of better health and education for the financially included.

Financial inclusion also necessitates repayment programmes, interest on loans and debt. Are the charitable foundations backing this cause also ensuring that the people they want to include know how to play the finance game? Right now, it's governments who appear to have rolled a six, with electronic payments saving them up to 75% of their running costs. Will these savings be spent on the expensive infrastructure and technical skills needed to deploy digital payments across a nation, or will they be diverted from other essential programmes for the poor?

While financial inclusion, digital or traditional, is bound up with the march of

progress, those pushing it need to make sure it doesn't lead to a greater problem of exclusion.

Claire MacDonald, Paris, France

Don't drag feet on pay equity

With the new forms of employment, we are getting further and further away from equal pay for equal work. And not just between men and women. With the explosion of part-time, contract, two-tier and other precarious types of employment, we often find two people working side by side earning different rates of pay. The positive movement in the second half of the last century and the beginning of the current century is the recognition of the need for equal pay for work of equal value, confirmed in ILO Convention 100. This international accord begins from the premise that women and men do different work because of gender segregation in the workforce, and that the "market value" of traditional women's work needs to be boosted, especially if we want to continue to have childcare workers, nurses and other healthcare workers, and administrative workers. I think we need them—so we should make sure they get paid appropriately. Their undervalued skills and responsibilities need to be made visible. Pay equity NOW!

Daina Z Green, commenting on oecdinsights.org,
"Equal pay for equal work", December 2014

Sporting together

We at the Commonwealth Youth Sport for Development and Peace Working Group believe that sport can be used as a tool for

different types of development, including economic, social and personal development. Sport can be a low-cost effective way of increasing engagement, crossing cultural ties and achieving healthier lifestyles.

Sport and play are human rights that must be respected and enforced worldwide; therefore, it may be valuable to include the measurement of access to sport and play as an indicator of youth well-being.

Commonwealth Youth Sport for Development, commenting on youth well-being discussion on <http://www.wikiprogress.org/>, December 2014

Twitterings

Matthew robb @matthewrobb701

MT @OECDObserver: #inequality bad for growth because skills kids of low-ed parents get worse <http://bit.ly/17Rtp72>

Sarah Renfer @nifunifa

Dear @TheEconomist, why do you usually insert "a club of mostly rich countries" after mentioning the #OECD? #justcurious #audioedition

EEB @Green_Europe

Properly designed environmental policies can benefit the environment without any loss in productivity @OECDObserver <http://shar.es/1o56U4>

Louiciusmiciuseugene @eugenel

@OECD @OECDObserver. Productivity must not go neither across environmental policies!

Enea Agolli @eneaagolli2

@OECDObserver The execution of Kenji #Goto and others as well, should keep us united and strong against terrorism

Tim Harcourt @TimHarcourt

@OECDObserver has produced an excellent @G20Australia special here #G20Brisbane @NassimKhadem @UNSWbusiness #G20

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Water can be the source of a brighter future



We must turn water into a flow of new opportunities for green, inclusive, sustainable growth

Angel Gurría
Secretary-General of the OECD

Water, like air and food, is our life support. It covers about 70% of the surface of our planet. But only 2.5% of it is fresh water, the rest being ocean, with a small fraction of that being available as drinking water. As a fragile resource, water must be nurtured with investment, management and care. From oceans and vast rivers to the spring in the garden, we must safeguard our water as a source of well-being, prosperity and progress.

This means confronting several challenges. To begin with, there are over 7 billion people on earth, of which a billion routinely drink unsafe water and do not have basic sanitary facilities, leading to illness, disability and death. Access to clean water and sanitation is a human right, which we must do more to honour.

Moreover, the world's population will reach some 9 billion by 2050, which means more demand and more competition for scarce resources. Farming already uses 70% of the world's fresh water and cannot expand more. Water is also needed for industry and energy output, not to mention drinking water and sanitation.

The third key challenge is pollution of fresh water and oceans. This threatens our health and our environment, generates costs for treatment, and hampers development.

Climate change compounds these challenges, with droughts and floods, shifting precipitation, and ocean acidification. Rapidly expanding megacities already feel the strain, such as São Paulo, where recent water shortages pose a serious threat.

We must turn this situation around. What must be done to address the challenges and grasp the opportunities that can benefit us all?

Clearly the first goal must be to secure everyone's access to clean water. International development goals have hitherto focused on "improved" water; we can do better and "go clean" by ensuring safe and affordable water for everyone. Universal access to clean water and basic sanitation by 2050 would mean over 80,000 fewer deaths per year from basic illnesses such as diarrhoea. It would also generate major benefits for fisheries, tourism and livelihoods, particularly in the poorest countries.

Second, we must also improve efficiency and management, reduce waste, and maximise opportunities in all related sectors. Whether for advanced cities or remote countryside, addressing water

scarcity or flooding, we must mobilise the rich range of economic and governance tools at our disposal to make this happen.

Third, we must do more to tackle pollution, particularly effluent from cleaning products and medicines, and nitrogen and phosphorous discharges, so that we can safeguard soils, rivers and coasts, indeed our whole ecosystem.

How can these goals be achieved? First, we need to invest in infrastructure, technology and skills. New dams may be needed, and others removed. Infrastructure to help adapt to floods must be built. There are costly leakages to fix. There is a need to invest in smart irrigation, storm-water and rain capture, and effluent treatment.

We also need financing. Many investments are low cost, such as preserving wetlands to store or filter water. Others require substantial capital. All require know-how and long-term management. The public sector, which is the main provider of water in most countries, will need to tap new sources of financing beyond taxes, transfers and tariffs, including pension and wealth funds, green bonds, and private philanthropy. Governments should also involve small private firms in water provision, as they bring both finance and innovation to the table.

We need a mix of tough regulatory and market rules to stop toxic pollution, instil more responsible consumption and generate revenue. Harmful subsidies that promote overconsumption of water must be addressed.

Governance is critical. Some water issues are local, others global. Everyone uses water, and no one community should be left alone with the problem. Water-wise policies must be adopted by interests beyond the water sector itself—energy, farmers, real estate, industry—to name but a few.

Finally, though our action must start now, we must aim for the long term. Patience is of the essence: Rome was not built in a day, and indeed it took several centuries to complete Ancient Rome's 11 great aqueducts. Foresight, flexibility, stakeholder engagement, co-operation and leadership are all needed for the future of our water world. We need to acknowledge that the benefits may not be evident right away, but the actions we take on water security today will allow us to leave a better planet for future generations.

In September 2015, world leaders will adopt new Sustainable Development Goals to succeed the Millennium Development Goals from 2015 onwards. And in December, we must forge a new agreement to address climate change at the COP21 meetings taking place in Paris. Water security is a key element of these processes.

The OECD has much to contribute in terms of analysis, advice and exchanging ideas. We have built up a rich pool of knowledge on water-related issues from around the world, which I encourage policymakers to draw on.

We have no excuse. Together, we must turn water into a flow of new opportunities for green, inclusive, sustainable growth.

www.oecdobserver.org/angelguria www.oecd.org/about/secretarygeneral

News brief

Global recovery accelerates

Growth prospects have improved for the world's major economies as a result of lower oil prices and monetary easing, according to the OECD's latest Interim Economic Assessment released on 18 March. The euro area is projected to grow at a 1.4% rate in 2015, and 2% in 2016, benefiting from the euro's depreciation, cheaper oil and monetary stimulus. The US will expand 3.1% this year, while the UK will grow by 2.6% and Japan by 1%.

"There is no room for complacency, as excessive reliance on monetary policy alone is building up financial risks,

while not yet reviving business investment", warned OECD Chief Economist Catherine L. Mann. She warned that low inflation and interest rates point to risks of financial instability, and that central bank action must be bolstered by fiscal and structural reforms.

As for emerging economies, while India is expected to be the fastest-growing major economy over the next two years, China will continue experiencing a gradual slowdown and Brazil is likely to fall into recession.

The next *OECD Economic Outlook* will be released on 3 June 2015.

<http://www.oecd.org/economy/economicoutlook.htm>

Early gender gaps

Despite progress in recent decades to reduce gender gaps, girls and boys remain deeply divided in career choices, according to a new report. While boys are much more likely to underperform at schools than girls, fewer than 1 in 20 girls considers a career in science, technology, engineering or mathematics, compared to 1 in 5 boys. The report, *The ABC of Gender Equality in Education: Aptitude, Behaviour and Confidence*, finds that girls lack the same self-confidence as boys in these fields, and differences in parental encouragement

exacerbate the problem. However, scientific careers are among the most highly paid. "What's needed is neither extensive nor expensive education reform but a concerted effort by parents, teachers and employers", said OECD Deputy Secretary-General Stefan Kapferer. See databank p32. www.oecd.org/education



Economy

Economic momentum continues upwards, according to the OECD composite **leading indicators**, which are based on the likes of order books, building permits and long-term interest rates. This is particularly true for the euro area, with stable growth indicated for most other major economies and the OECD area as a whole.

GDP growth in the OECD area slowed marginally to 0.5% in the fourth quarter of 2014, down from 0.6% in the previous quarter, with the strongest drop among G7 countries in the US and the UK, easing to 0.7% and 0.5% respectively.

Inflation slowed to an annual 0.5% in the OECD area in January 2015, down from 1.1% in December. This sharp decrease was caused by further falls in energy prices, which declined by 12% in the year

to January, compared with a decline of 6.3% in December.

Unit labour costs in the OECD area rose by 0.5% in the fourth quarter of 2014. In the US, labour costs rose strongly by 0.8% but decreased in the euro area to 0.3%, and in Japan they slowed by 0.1%.

As for **trade**, total (seasonally adjusted) merchandise exports of the G7 and emerging markets fell by 3%, but this partly reflects the effects of an appreciating US dollar. Merchandise imports also fell by 3.7% in the fourth quarter of 2014 compared to the previous quarter, partly reflecting a continued fall in oil prices. In China exports grew slightly by 0.4% while imports fell by 2%.

The **unemployment rate** in the OECD area stood at 7% in January 2015. Some 43.1 million people were out of work,

Soundbites

Lawn-term water planning

In Nevada, Las Vegas has paid out \$200 million over the last decade for homes and businesses to pull out their lawns. It will get worse.

Eduardo Porter, *International New York Times*, 16 October 2014

Loan planning

"No more loans—not until we have a credible plan for growing the economy in order to repay those loans, help the middle class get back on its feet and address the hideous humanitarian crisis."

Yanis Varoufakis, finance minister of Greece, *International New York Times*, 16 February 2015

National migration

"An estimated 4.7 million British nationals are living abroad, mostly in Australia, the US and Canada."

Press Association, *Daily Mail*, 26 February 2015

Country roundup

Spain has made important progress in many aspects of its environmental performance since 2000, but there is ample room to apply more green taxes to spur cleaner economic growth, the latest *Environmental Performance Review* says. www.oecd.org/spain

The **UK's** economy is projected to expand in 2015-16, but it must boost productivity and make future growth more inclusive, the latest *OECD Economic Survey of the United Kingdom* says. www.oecd.org/unitedkingdom

Reforms introduced in **Italy** should, if fully implemented, raise GDP by an additional 6% over 10 years, says the latest *Economic Survey of Italy*. www.oecd.org/italy

Belgium has returned to growth and continues scoring well on well-being, but reforms will be needed for fiscal sustainability and to promote employment and competitiveness, according to the *OECD Economic Survey of Belgium*. www.oecd.org/belgium

The underlying strengths of the **Estonian** economy have helped it bounce back from the crisis, but it needs to find a more inclusive and sustainable growth path, a new economic survey says. www.oecd.org/estonia

Japan could help laid-off workers find a job more quickly by improving co-ordination between public employment services and companies, and ensuring workers have adequate Employment Insurance (EI)

down slightly since December, and 6.5 million less than the peak in April 2010. The unemployment rate edged up by 0.3 percentage point to 6.6% in Australia and also rose by 0.1 percentage point to 5.7% in the US and by 0.2 percentage point to 3.6% in Japan. In the euro area, unemployment fell slightly, to 11.2%, including an 11th monthly fall in Ireland of 0.2 points.

For latest updates on economic statistics, see www.oecd.org/std/statisticsnewsreleases.htm.

Greek prime minister at the OECD



Greek Prime Minister Alexis Tsipras with OECD Secretary-General Angel Gurría

Greek Prime Minister Alexis Tsipras visited the OECD on 12 March. The OECD and member country Greece will work more closely together to advance reforms in six main areas: boosting job creation, reducing the administrative burden on business, improving the efficiency of public finance and spending, instilling a culture of transparency and integrity, strengthening the tax system, and introducing more competition. Alexis Tsipras also delivered a keynote speech to OECD staff and guests. For more on the meeting, see <http://oe.cd/WO>

benefits, according to a new OECD report. www.oecd.org/japan

Austria should set a time frame to increase its development aid budget towards the UN recommended goal of 0.7% of its gross national income (GNI), according to a development review. www.oecd.org/austria

Tunisia needs to prioritise youth employment and regional development to cement the democratic transition and secure prosperity, according to two new reports. www.oecd.org/countries/tunisia

Candidate for OECD membership, **Colombia**, needs a comprehensive tax reform to boost investment and diversify the economy, according to the latest *OECD Economic Survey of Colombia*. www.oecd.org/countries/colombia

Tax revenues in **Latin America and Caribbean** countries are considerably lower as a proportion of national incomes than in most OECD countries, according to the fourth edition of *Revenue Statistics in Latin America and the Caribbean 1990-2013*. www.oecd.org/dev/americas

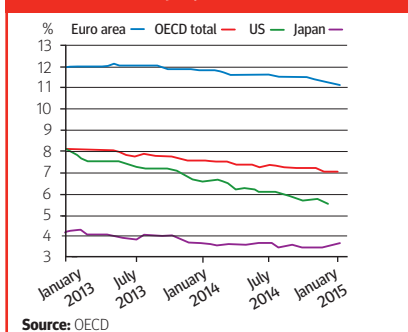
Tax evasion progress

The international community continues to make major progress to end tax evasion, says the OECD. The Global Forum on Transparency and Exchange of Information for Tax Purposes especially welcomed Switzerland for its recent improvements towards greater tax transparency in a report published on 16 March. The OECD also welcomed the EU Commission Initiative on Tax Transparency presented on 18 March. "Change is happening and co-operation and transparency are replacing secrecy and harmful practices", OECD Secretary-General Angel Gurría said. www.oecd.org/tax

Mental health advice

Around 30-40% of all sickness and disability cases among OECD countries are related to mental health problems, roughly equal to 3.5% of GDP in Europe, according to a new OECD report. Health and employment services should intervene earlier to help people with mental health issues find work or stay in their jobs, and not give into social stigma. www.oecd.org/employment

Unemployment trends



Plus ça change...

Water supplies for the growing populations of the world's cities are increasingly threatened by various forms of man-induced pollution. Water pollution presents equally urgent problems.

"The fight against smog and water pollution", in Issue No 6, October 1963.

Observer OECD



How do you measure a Better Life?

For nearly a decade, the OECD has been working to identify societal progress – ways that move us beyond GDP to examine the issues that impact people's lives. The OECD's Better Life Index is an interactive tool that invites the public to share their thoughts on what factors contribute to a better life and to compare well-being across different countries on a range of topics such as clean air, education, income and health.

Over five million visitors from around the world have used the Better Life Index and more than 90 000 people have created and shared their personal Better Life Index with the OECD. This feedback has allowed us to identify life satisfaction, education and health as top well-being priorities. What is most important to you?

Create and share your Better Life Index with us at:
www.oecdbetterlifeindex.org



OECD
Better Life
Initiative

Nurturing our water empire



Water holds huge potential for economic, social and individual betterment. There are challenges to confront, but also opportunities. With the right approach, water could be a harbinger of progress.

Aqua Appia was an aqueduct built in Rome in 312 BC. It was the first of 11 aqueducts to be built over 600 years. They provided water for irrigation, fountains and drinking, were able to fill and empty lavish baths and latrines, and kept Rome's streets clean.

Aqueducts sprang up all over the Roman Empire to transport water to the mills, mines and farms that underpinned Rome's prosperity. Aqua Appia channelled water to a cattle market. Access to

fresh water and sanitation lay at the heart of the Roman Empire's strength. Julius Frontinus, a first-century water commissioner, described the unique contribution in his book, *De aquae urbis Romae* (*The waters of the city of Rome*): "an array of indispensable structures carrying so many waters; compare if you will, the idle Pyramids or the useless though famous works of the Greek."

The aqueducts were built for a reason: the population was growing fast, and groundwater wells and the Tiber had become polluted. Disease was rampant. The aqueducts were both a fast solution and a long-term investment, and a few are still partly in use today. The world of the 21st century faces far

greater water challenges than Rome, though timeless lessons can still be drawn.

Water, like air and food, is our life support. It covers about 70% of the surface of our planet. However, only 2.5% of that is fresh

A key challenge is to improve access to clean water

water. It is the only fresh water in our solar system and possibly in our galaxy—in actual fact, it is the same water as in Ancient Rome. There is probably plenty of it for present and future needs—the total amount of water vaporised in a year to feed the world's population would fill a canal 10 metres deep, 100 metres wide and long enough to encircle the globe 193 times. But as the Romans

eventually found out, it will be spoiled without the right management, conservation and investment.

A key challenge is to improve access to clean water. Access to clean water is a human right, but hundreds of millions of people are deprived of that right. How water resources are managed affects access rights, and conditions social and political relations throughout the world. Add in threats such as climate change—flooding, drought, ocean acidification—and pollution from the likes of cleaning products and medicines, nutrients and pesticides, and industrial and domestic effluents, and it is not hard to see how serious a challenge water policy is. Indeed, the prospect of water becoming an arena of human strife and division, even conflict, seems realer every day.

Yet, water holds huge potential for economic, social and individual betterment. As the Romans understood, it is a source of life and prosperity, and a source of opportunity for investing in humankind's future progress.

A matter of economy

A world economy that is four times larger in 2050 than now, with over 2 billion additional people, will clearly need more water. Global water demand is projected to increase by around 55% in that time.

Water demand in OECD countries is actually projected to fall somewhat, from 1,000 km³ in 2000 to 900 km³ in 2050, thanks largely to efficiency gains and a structural shift away from water-intensive sectors. But water demand is projected to increase sharply in the emerging economies, from 1,900 km³ in 2000 to 3,200 km³ in 2050, and most of their populations will live in severe water stress zones.

Demand will double to some 1,300 km³ in the rest of the world, particularly in cities, where most of the global population lives, making water investment and governance in cities particularly crucial.

Take access again. As many as a billion people drink unclean water every day.

Over 350 million in Africa do not have access to clean water, along with nearly 200 million in Asia and a similar number again in the Middle East. In Latin America, some 36 million have no access, and even in developed countries some 9 million people are without proper access. By 2050, these numbers will be higher unless action is taken.

Clearly, good governance can help resolve many of these problems. The trouble is,

Water pricing can help control water consumption and generate revenue to invest back into the system

in our fast-moving world, policymakers struggle to keep up with rapidly expanding demand: in vast megacities, such as São Paulo, Brazil, millions of people face water supply shortages, despite Brazil's being a water-abundant country, whereas drought is affecting the vast irrigated land of California, which is one of the world's richest economies. Water infrastructure is creaking and leaking in developed countries everywhere: the newly created Irish Water recently estimated that at least 40% of drinking water in Ireland was leaking from the system, which would demand decades of investment to repair.

Water pollution affects all countries. In richer ones, despite costly treatment to remove nutrients and pesticides to meet drinking water standards, protect fisheries and the like, pollution loads from rural and urban sources, from fertilisers to polluted run-off from streets and car parks, remain a threat to humans, animals and plants. In rural France, people's water bills indicate if the water is safe to drink or not; in Korea, despite good water treatment, people have turned to bottled water instead.

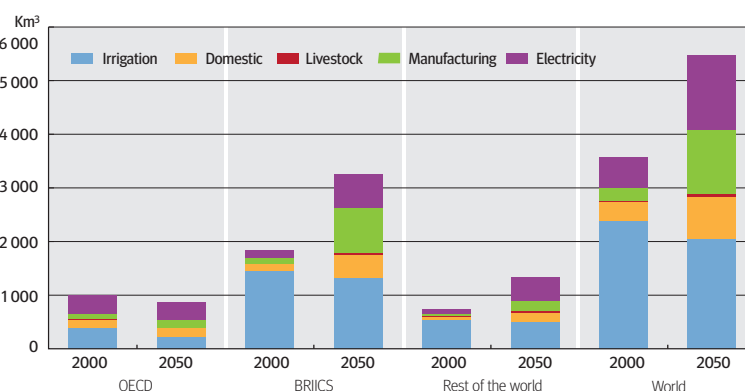
In poorer counties, untreated water is a major killer: over three-quarters of a billion people die every year from water-related diseases, including diarrhea. The UN believes that 10% of the global disease burden would be reduced by better water supply, sanitation and hygiene.

It should not be that way. On the contrary, our water systems could become the harbinger of inclusive, innovative growth. How? The answer lies in understanding and marshalling demand and supply in smart, participative and innovative ways.

Farming today

Take a closer look at how that 55% increase in water demand by 2050 will be broken down. Most of it will be from a rise

Global water demand: 2000 and 2050



Note: Baseline projections of what the world could look like in 2050 if current socio-economic and environmental trends and existing policies are maintained, but no new policies are introduced to protect the environment. For more, see source.

Source: OECD Environmental Outlook Baseline; output from IMAGE.

StatLink <http://dx.doi.org/10.1787/888932571171>

Sharp drop

It is widely accepted nowadays that climate change affects water supply. After all, it plays havoc with rainy seasons, melts glaciers, and causes drought in normally humid regions. But a common mistake by policymakers is to assume that the impact of climate change on water supply will be gradual, whereas sudden step-changes can occur. For instance, reductions in rainfall can produce even sharper reductions in stream flow. A study in Jarrahdale, Western Australia, showed that a 14% reduction in

rainfall resulted in 48% less stream inflow, and a 20% reduction resulted in 66% less stream inflow. And because sufficient base flows are required before water can be extracted, a small reduction in mean rainfall ultimately led to a massive and disproportionate impact on the volume of water available for use.

OECD (2015), *Water Resources Allocation: Sharing Risks and Opportunities*, OECD Publishing



©Reuters/David Gray

Her farm needs more rain

of 400% in demand by manufacturing, over 140% in electricity generation and 130% in domestic use.

Farming already accounts for some 70% of global freshwater withdrawals, and has little scope to expand as other activities take a higher water share. Yet we need water to produce food. Crop evapotranspiration (not including water for food processing and preparation) consumes about a litre of water to produce one calorie; an adult in OECD countries needs 2,000 calories per day. A fifth of this water is irrigation water (both ground and surface water) for agriculture.

So how can world agriculture raise production to meet higher demand—70% higher by 2050?

Not all countries face this challenge: Canadians use far less of their total water than, say, Koreans: Korea is the OECD's

most densely populated country, and its delicate water balance is a concern for policymakers. In Spain, national indicators conceal unsustainable use in some drought-prone regions; and in parts of Germany, France and the US, crop intensity saps the soil dry, demanding even more intensive treatment. Meanwhile, seasonal and local fluctuations in water tables can oscillate wildly, as destructive summer and winter flooding in the UK has shown.

Global warming is partly responsible: in hotspots like northern Africa, India, China, parts of Europe, the western United States and eastern Australia, the reduction in water for irrigation could be dramatic. A study in Chile estimates that climate change could dry freshwater flow to decrease on average in all river basins by 35% between 2041 and 2070.

Clearly infrastructure investment, innovation and efficiency in extracting,

conserving and distributing water will be priorities for farming to keep up with the needs of hungrier, expanding economies and populations. Moreover, a mix of more responsive spatial and economic management, as well as stakeholder engagement, would help mitigate if not completely overcome these constraints. Different approaches may be required for different contexts. One city, Auckland in New Zealand, amalgamated its district councils to better address urban encroachment on freshwater and marine resources, whereas San Francisco, California, decentralised its water treatment systems to secure water and waste-water services.

Cities generally are an important focus of any policy action. In rural areas, water policies clash with strong lobbies, and are often tangled up in disputes over regional policy, nature conservation and local unemployment. Half the world's population lives in cities, which frequently have the eclectic mix of political institutions, investors, civil society players and collective determination to make a difference. From San Francisco to Sydney and Auckland to Seoul, several cities are leading the way in trying out new forms of governance, innovative green technologies and tough regulation. As one *OECD Observer* article letter-writer pointed out, at this rate cities, not the countryside, will be the cleanest places on earth to live. Not a pipe dream, but there is a long way to go.

Energy is another heavy user of water. Water is used to cool power plants, extract fossil fuels and produce electricity. Coal, natural gas and nuclear fuel cycles require substantial water per megawatt-hour. And though water use appears lower for electricity generated by solar and wind sources than for thermoelectric generation technologies, manufacturing geothermal, photovoltaic and wind power facilities requires a lot of water. Even hydroelectric stations carry heavy water footprints, largely from evaporating reservoirs, though much of the water is recycled through

the system. As this is unlikely to alter in response to water scarcity, efficiencies and better management will be key.

What can be done about such challenges? A combination of regulation, water pricing, investment, innovation and governance is needed. Regulations can draw vital red lines to prevent excessive or toxic pollution for instance, by imposing fines and even penal sentences. Some regulations, such as the requirement for filters in effluent pipes, can impose additional costs on firms, but if well designed, can encourage innovation in treatment technologies that do not hurt—and may even boost—productivity.

It is harder to arrest someone for, say, hosing the cricket pitch or taking too many showers. Water pricing can help control water consumption and generate

Cities frequently have the eclectic mix of political institutions, investors, civil society players and collective determination to make a difference

revenue to invest back into the system. Introducing water charges is not easy politically even when stakeholders are engaged, as the Irish government has been finding out as it faces protests against its new water charge policy. The principle for charging for water is crystal clear: yes, access to clean water is a right, but it is not cost-free. Even very poor people in developing countries see paying as an assurance that treated water is cleaner than in local rivers. Again, governance and administration matter: charging can help with holding water authorities to account. Public support is best achieved at design and implementation stage, avoiding remote corporate approaches, and by showing results in terms of efficiency and hygiene. Innovation is also vital: drip-emitter technologies and smart irrigation in farming, smart water meters and heating systems for buildings, and systems for capturing and controlling run-off and

waste water. San Francisco and Tokyo now encourage alternative non-potable water sources, such as rainwater and storm water, for instance for large buildings and sports stadiums. New York is using a “green” infrastructure, notably storm-water capturing surfaces, to improve waste-water flow to its treatment plants, which handle 1.3 billion gallons of waste water on an average dry day (see *OECD Observer* reference). Desalination is also an area being developed, notably in Israel (see page 15).

What about governance? This issue is explored in the next article; suffice it to say that flexible, forward-looking, joint innovative approaches are needed. Politics may be local, but water supply and demand rarely respect boundaries between countries, regions or sectors, and everyone has a stake. Much will depend on the level of ambition and co-operation policymakers are willing to show.

A high road to progress

There is a way forward. The first thing to do is to secure access to safe water supply and sanitation to all. The economic, social and environmental benefits would be enormous: the World Health Organization puts the cost of inadequate water supply and sanitation at US\$260 billion per year; in some African countries, these losses amounted to 10% of GDP.

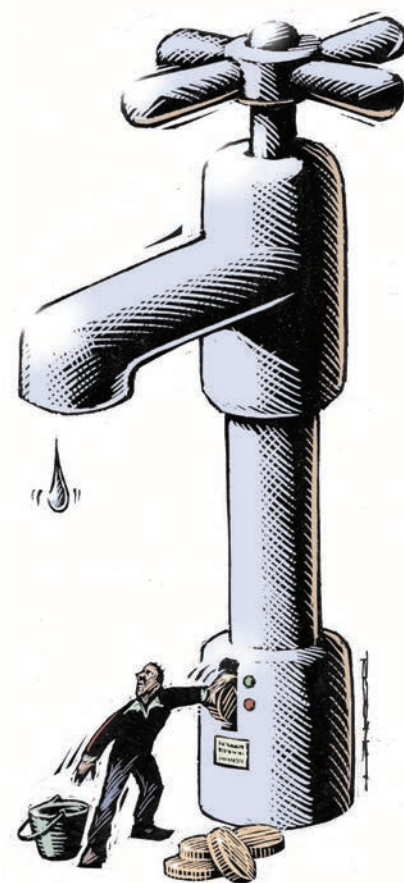
Steps should be taken to protect water users, the economy and ecosystems against risks of scarcity, flooding, pollution, etc.

This will require investment, with a priority given to improving resilience to water variability, such as by sharing water-use more efficiently among agricultural, energy and industrial sectors; upgrading irrigation infrastructure; improving water disaster prevention and mitigation; protecting ecosystems; and diversifying economic activity. The choice of investment should incorporate long-term plans for economic and social development, and while based on

robust decision-making criteria, remain adaptable to shifting conditions.

Innovation is clearly essential, and can be promoted by policies that make wastage and pollution more costly, and coax new practices among those users who generate liabilities, such as in heavy industry or energy. Policies and institutions which bolster existing water users and current technologies can make it harder to respond to new challenges in the future, and should be addressed.

As for financing, there is no generic model, and though the public sector plays the lead role in funding water services in most countries, other sources can be tapped, ranging from major long-term institutional investors down to household



investments in water-saving equipment (see page 12).

The level of governance, whether local, national or transborder, will also have an effect, depending on hydrological conditions, capacities to invest, those affected, and so on. The international community has a particular role to play in assisting vulnerable regions, weaker economies, or populations with difficult hydrology and transborder watersheds.

The environment is our natural capital, and from water can spring a truly better future. Just as engineers showed remarkable foresight when planning Rome's aqueducts, a water vision for

the world would do a great service for the civilisation of tomorrow and show a commitment to the pale blue dot that is our earth. Julius Frontinus would raise a flask of aqua to that. **Rory J. Clarke**

Xavier Leflaive of the OECD Environment Directorate advised on this article.

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Ripples from the water-energy-food nexus

Naazia Ebrahim, OECD Environment Directorate

In *Rule of Experts: Egypt, Techno-Politics, Modernity*, Timothy Mitchell tells how in 1942, an epidemic of gambiae malaria in Egypt was caused by a perfect storm of interactions between rivers, dams, fertilisers, food webs, and the influences of the Second World War. It began with the building of dams and storage reservoirs at Aswan by the Nile, which provided the anopheles mosquito with new breeding spots. Thanks to the dams, basin irrigation was replaced by perennial irrigation, encouraging a denser population of humans who no longer needed to disperse to avoid flooding.

Government protectionism on behalf of the sugarcane industry then helped it expand at the expense of food-growing lands, while new irrigation techniques led to reduced soil fertility. When ammonia was diverted from fertilizer to explosives manufacturing for the Second World War, the resulting malnourishment and closely populated settlements created an easy target for this particularly social mosquito.

Splitting technological, agricultural, epidemiological, and geopolitical considerations into separate boxes led at least in part to the epidemic. The engineers building the dam could never have imagined the ripple effects their work created. But today, we know better (well, somewhat at least: it's worth noting that deforestation has been strongly linked to the Ebola epidemic). And, with studies estimating that the global demand for water, energy, and food will increase by

55%, 80%, and 60% respectively by 2050, those ripple effects are going to be all the more critical—especially between these three areas.

Risks in one sector often correlate with risks in the others—but equally often, decreasing the risk in one sector causes it to increase dramatically in others. Figuring out how to provide enough water for wheat farming, hydropower generation, and maintaining local ecosystems, while still decreasing carbon emissions, is not an easy task.

The world is facing unprecedented stresses, and we are going to need an unprecedented response. We're doing our best to help create that response at the OECD: in November 2014 we hosted the Global Forum on Environment: New Perspectives on the Water-Energy-Food Nexus, which focused on how the interactions, synergies and trade-offs between these

resources can be managed in real policy terms. Stakeholders involved in these two days of discussions with experts and government officials are expected to be increasingly important in moving from analysis to implementation in the years ahead.

In the meantime, it is worth remembering that the malaria epidemic was often framed as one of intelligence versus nature. But intelligence and technological advancement were not created through externally imposed "solutions". Rather, they were developed iteratively by engaging and interacting with the challenges. We have no doubt that the same will be true here.

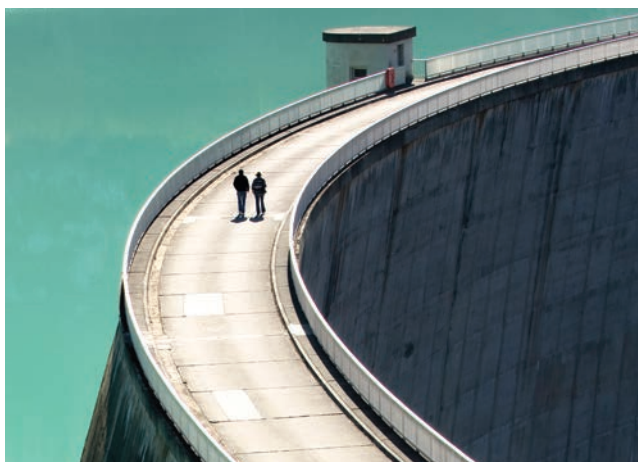
Updated and adapted from www.oecdinsights.org, March 2015

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Unintended benefactor

Water: Unclogging the finance



©Roy Philippe/HEMIS.FR

How to improve water systems is one challenge; financing them is another. Public authorities in most countries play the main role in implementing and funding water infrastructure, but it is a model that is under increasing pressure, with government budgets stretched and banks still prudent about issuing credit.

There is no generic funding model that can be applied to every need; the sheer diversity of water infrastructures and sources of financing need to be identified, scanned and tapped in line with particular investment types and needs.

There may be small-scale projects initiated by local entrepreneurs, or large infrastructures that serve multiple purposes, such as energy and heavy manufacturing. Some investments may involve green ecosystems to supply, store or filter water.

Not only will these infrastructures have different financing needs, but will access funds in different ways, for instance through capital markets, loans, funds, public expenditures, etc.

Take large dams and large reservoirs. These are costly, long-term affairs. The Three Gorges Dam project in China, for instance, could cost over US\$22 billion, according to government estimates, including construction, relocation of residents and financing costs. Moreover, cost recovery is not expected to occur for 10 years after full operation starts.

Such major projects tend to be financed by major development banks such as the Asian Development Bank and World Bank, and institutional investors such as pension funds. The sources for long-term financing are expanding, with the emergence of sovereign funds and philanthropists, as well as of new groups like the Chinese-led Asian Infrastructure Investment Bank, which opened in March 2015.

But before leaping into major undertakings such as dams, policymakers must answer several questions. Will the construction lock them in and still be valuable in 25, 50 or 100 years' time? After all, there are several cases of investments that have fallen into disuse or underuse, such as a desalination

plant in Sydney that was built during a severe but temporary drought, and dams in France's Loire Valley that are now being decommissioned at some cost. Had a more forward-probing "value options" approach been used in planning them, they might not have been built in the first place.

There are other basic questions that can be expensive to overlook, such as whether the gleaming new waste-water treatment plant fits the wider network, and will not lead to a cascade of background costs to make it work properly. Getting such sequencing right can save money and create more value.

Not every water project has to be major. In fact, cheaper, more modest projects can be more effective, more flexible and far more easily financed, too. Policies that encourage households to buy their own water-saving appliances, for instance, or farmers to invest in water-efficient crops and irrigation techniques not only are cost-effective but offer flexibility in the face of climate change.

In fact, efficiency and flexibility gains should be systematically mainstreamed into any water-wise policies anyway. Moreover, when a problem emerges, policymakers should act sooner rather than later to avoid accumulating costs for the future: had São Paulo acted five years ago to address water shortages, the solutions then might have been more affordable than today. Likewise, properly maintaining existing water assets, such as pipes, can save money in the long run, as OECD countries are finding out.

Innovative "green" solutions can also offer a cheaper route than costly, heavy "grey" approaches. Cities such as Philadelphia are discovering this: rather than build a new sewage treatment plant to handle storm water run-off from streets and car parks, for a fifth of the cost they are looking at replacing hard surfaces with sponge-like porous ones, which storm water can percolate through.

To attract financing, what matters is for policymakers to put forward truly bankable and appropriate projects that are capable of attracting a variety of suitable investors. Financiers have a "risk and reward" mentality, and will generally go for low returns only if they are thought to be safe and constant, and back riskier investments for higher returns.

Policymakers should remember that private firms involved in water systems may have funding of their own to bring to the table. They would do well to create the innovative business and regulatory environment that allows them to enter the fray, as this would bring not only technical and managerial skills, but some very useful financial capital as well. *Rory J. Clarke*

For more information on financing and water, contact Xavier.Leflaive@oecd.org
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Water governance at stake

Aziza Akhmouch, OECD Public Governance and Territorial Development Directorate



California dreamin' at the World Agricultural Expo in February 2015

Investing in infrastructure for water is important, but how we govern water is more critical than ever.

The global financial crisis put environmental issues on the back burner, but there are signs, notably in new commitments on greenhouse gas emissions by Europe, the US and China, that the international community and governments in general are back in action regarding environmental policy. This renewed attention must also be applied to water.

There are serious challenges to confront, but also opportunities to grasp. Approaches to resolving water run to the heart of overcoming climate-change adaptation, for instance. It will be an essential consideration as population growth surges and competition becomes more intensive for resources among farmers, industries, office blocks and energy suppliers. Our entire ecosystem and life support will depend on how we manage this challenge.

When it comes to any policymaking, “what to do” is only the start; “who does what”, “why” and “how” are just as important. The aqueducts of the Roman Empire were great architectural and engineering achievements, but arguably

the main ingredient of their success was broad, innovative and foresighted governance. In modern times, more than ever, addressing water challenges must go far beyond questions of infrastructure, or financing, maintenance and operations. Only good governance will help avert the environmental, humanitarian and economic devastation of the looming water crisis. In fact, we can just as well turn the crisis into an opportunity to promote inclusive, green growth.

Water is particularly sensitive to multilevel governance, involving local, regional and even global players from various public and private-sector backgrounds. It is a complex sector, capital-intensive, monopolistic (90% of water systems are run by large public-sector firms), with spillovers on many related domains, from energy to health care and farming, not to mention biodiversity. Demands for water cut across sectors, places and people, as well as time and space.

The context for freshwater management has radically changed in the last 25 years. Better and more accessible information can shed greater light on poor practices. Some positive developments have rung in new headaches. Take decentralisation. This has resulted in opportunities to

customise policies to local realities, but has created more institutional fragmentation, making it harder to resolve regional or national problems, such as flooding or water pricing. Indeed, there is

Governance can turn the water crisis into an opportunity

an increasing realisation that bottom-up, inclusive decision-making that involves a range of protagonists and stakeholders is the best way forward.

It ensures coherence, integrity and transparency for a start, and enables a proper holistic assessment of capacity and needs. It enables flexibility and swifter action, and more inclusive, sustainable practices.

The OECD is developing Principles on Water Governance to help governments navigate the tenets of good public policy on water, and distil what they need for their own challenges. The new principles will promote efficiency and effectiveness in water management and outcomes, and for that, trust and engagement are key.

Stakeholders matter

California is facing a punishing fourth year of drought. Temperatures have been higher than usual in the sunny state—the largest in the US with a population of 38 million—while precipitation and ice pack have been low. Climate change may be one reason, and the public authorities are taking action to ensure that the taps do not run dry.

California is not alone. In Brazil—the home of the world's largest rainforest and largest river by volume—both Rio de Janeiro and São Paulo face their worst-ever water shortages.

But consider also social protests against major infrastructure projects, such as the Sivens dam in France, and against new water charges in Ireland. Or take Korea, where the Four Rivers restoration project still divides opinion, although the project ended officially in 2011.



What engagement can avoid: Confrontation, Sivers, France

How much governance is to blame in any of the above problems is a matter of debate; what is clear is that governance holds the key to solving them.

Governments now acknowledge that policies, however well-intentioned, need stakeholder engagement for their “implementation” on the ground. Anyway, people demand it: they are more educated than before, and in today’s expanding middle class, the top-down heavy approach no longer washes. Decision-makers will be forced to make tough choices about how to manage water for inclusive growth and the environment. Suppliers, dam engineers, wastewater treatment, water supply services, technology, health and safety standards, but also users in villages, cities, market gardens and cross-border valleys: stakeholder engagement has particular importance in water because it is a highly decentralised, fragmented and complex interdependent sector.

A preliminary step is to address public awareness gaps to explain how water is currently managed, by whom and at what cost. Engaging stakeholders can help build consensus for any new water tariffs or water sharing regimes, and can raise awareness on current and future water risks. This would make future action easier to take.

No government can say engagement was not possible: a range of options, including communication, consultation and co-production, have been tried and

tested, and the more involved along the chain, the better the outcome. In all cases, going beyond a tick-the-box approach is essential, since projects need to garner trust, accountability and legitimacy, and be sustained. After all, when it comes to water, no project is ever entirely finished.

Figuring out who to engage with can be a daunting task for policymakers. The corporate sector factors governance into its risk assessment frameworks and strategies. As risks of flood intensify, property developers are also gaining influence, as spatial development generates long-term liabilities. Long-term institutional investors, such as pension funds and insurance companies, are also now investing more in water infrastructure. Other players in the water landscape have gained traction, particularly environmentalists.

Some stakeholders whose voices are all too often unheard, particularly women, young people and the poor, should be involved to improve outcomes. At the same time, consultation “fatigue” is a risk to avoid, and it helps to be clear and forthright about how people’s input will actually be used. Engagement with broad groups helps to ignite the political will and leadership needed to deal with typical shortcomings, such as staff and funding, legal issues, inertia, and resisting lobbies. Stakeholder engagement mechanisms can be more or less formal, more or less costly, more or less timely and relevant. It helps to carry out a regular evaluation

of the costs and benefits, to provide the evidence base for better decision-making in the future.

An OECD report, *Stakeholder Engagement for Inclusive Water Governance*, argues that decision-makers who take a systemic, inclusive and foresighted approach are more likely to realise better outcomes and more robust returns on their investment in time and money. It advises policymakers on six basic principles. First, map all those who have a stake in the outcome of any water project, and their responsibilities, motivations and interactions. Second, define the line of decision-making and how stakeholder

No government can say engagement was not possible

engagement will contribute. Third, aim for result-oriented stakeholder engagement, with the proper financial and human resources and information. Fourth, carry out regular assessments of stakeholder engagement. Fifth, embed engagement processes in clear legal and policy frameworks, making them a required part of organisational structures and principles. Sixth, customise engagement to specific issues and keep the process as flexible as possible.

The OECD report contains a checklist to help adhere to these principles, with priority questions and indicators to help governments identify areas of improvement. Water pressures and trends may paint a rather sobering picture, but by working with an eager public to find and implement solutions, policymakers can ensure that this vital resource is managed wisely and responsibly for all.

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Israel: Innovations overcoming water scarcity

Ariel Rejwan and Yossi Yaacoby

Watech, Mekorot*

Overcoming the challenges of an arid climate and scarce natural water reserves has always been a vital necessity for the growth of Israel's population and economy since the founding of the state. This has led to continuous improvements in Israel's water sector, through innovations in technologies, practices and long-term plans.

Currently, Israel annually requires almost a billion cubic metres per year (MCM/year) more water than average natural replenishment provides. Nevertheless, average annual sustainable natural water consumption has been achieved, while nevertheless providing for all of the country's water needs, via innovations that have involved overcoming extensive engineering, biological and logistic challenges. These innovations include:

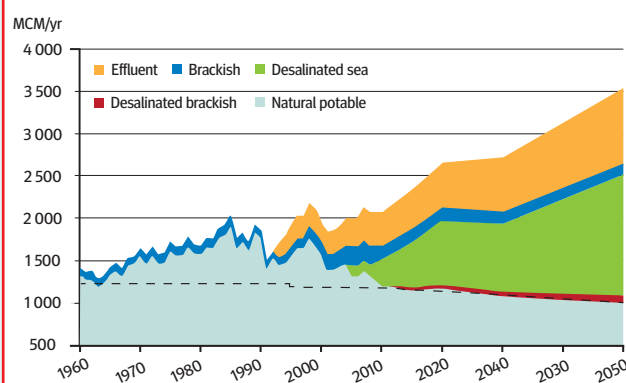
- A visionary, nationwide water conveyance system, constructed from 1955-64, to deliver water from the natural reserves in the north throughout the country, including the dry south;
- Treatment and reuse of almost all of the nation's domestic waste water for irrigation in the agricultural sector;
- Highly advanced irrigation methods such as moisture-sensitive automated drip irrigation directly to plant roots;
- Development of new crop strains that provide 10 times higher yield with the same amount of water;
- Pioneering work in drilling exceptionally deep wells, reaching 1,500 metres and pump settings as high as 500 metres;
- Large-scale desalination of seawater and brackish groundwater;
- Controls of algae blooms in reservoirs for reused water;
- Innovative, multi-tiered water safety methods, early warning systems and other technologies;
- Innovative methods for minimising non-revenue water loss.

Innovations in planning, policies and tariffs

Numerous governmental strategies and policies have been created throughout Israel's history to ensure a continuous supply of potable water for all citizens and to promote sustainable national water consumption. These include Israel's National Long-Term Master Plan for the Water Sector, from 2010-15, and innovations in both governmental and private sectors in key areas, particularly demand management, water use efficiency, creating supplementary potable water, and governmental support for innovations, notably in the NewTech Programme.

The **Israel NewTech** Programme promotes the country as a global water technology leader by investing in human capital, research and development, marketing, and start-up growth and international activity.

Total national water consumption



Source: Rejwan, Ariel and Abraham Tenne (2012), *Israel's Innovations Overcome Water Shortages*, Israel Water Authority Internal Document, Israel

This programme achieved great success in the local development and global export of Israel's innovative water technologies.

Israel's **agricultural sector** has transformed into one of the world's foremost leaders in water conservation, as was recognised by the OECD and FAO in 2012. Despite the drastic decline in agricultural water consumption over the past decades, agricultural production has continuously grown, and is sufficient to export approximately 80% of its products with the highest ratio globally in crop-yield/m³ of water.

Desalination is another innovation where Israel leads. Even with exceptionally efficient national water use, Israel's water needs exceed natural supplies. To address this deficit, Israel's desalination capacity has rapidly reached 560 million cubic metres/year with some of the world's largest sea water reverse osmosis (SWRO) facilities, lowest costs and numerous innovations.

Israel's successes to date speak for themselves. As of 2015, approximately half of Israel's water supply comes from reused treated waste water, brackish water and desalinated water (see graph above), and the agricultural sector is a world leader in water use efficiency and conservation. Israel's successes as such arise from the continuous need for and support of innovative methods, technologies, holistic water resource management and strategies for sustainably providing for the nation's water needs.

* Israel's National Water Company

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Brisbane



Kayaking, Brisbane River, Brisbane



 **Queensland**
Where Australia Shines

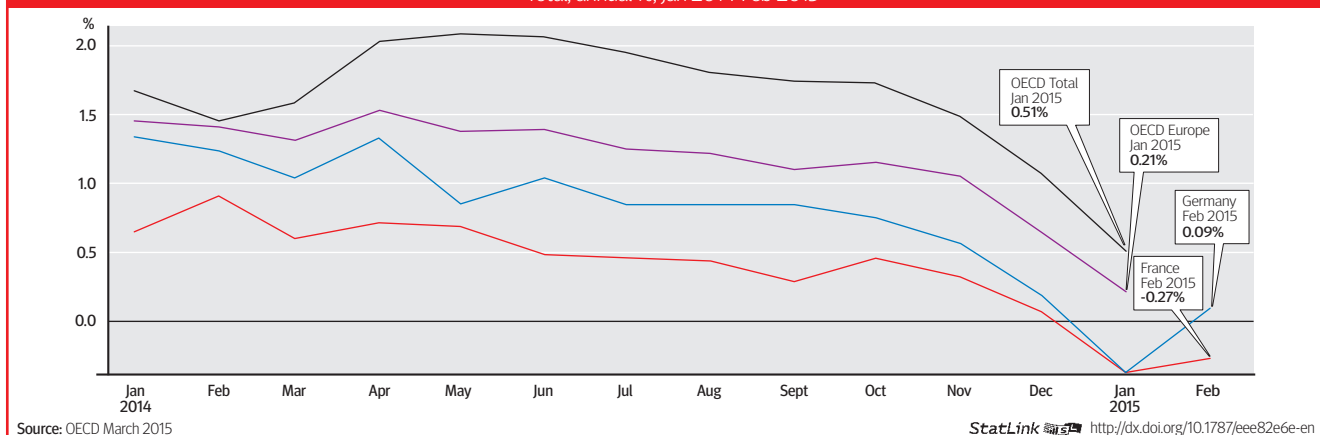
It's no secret that Brisbane is alive with excitement. Its flair is for the original, its entertainment is fresh and youthful, it thrives with laneway markets, fine food restaurants and open air cafes. Urban villages populate inner city precincts where you can stroll with the warm breeze on your bare arms. It's a city where the air is filled with optimism and a sense of adventure is heavy on the ground. Discover world-class contemporary art, cultural and sporting highlights. And, of course, it's about a long-standing love affair with the outdoors. From pristine beaches to lush mountain hideaways on the Scenic Rim, from a gently winding river to the aquatic paradise of Moreton Bay, Brisbane truly is a place where feeling alive comes naturally.

queensland.com

Deflation watch

Inflation falls

Total, annual %, Jan 2014-Feb 2015



Low oil prices must not be allowed to slow reform efforts

In October 2014 we wrote that deflationary risks had risen in the euro area and warned of the dangers deflation poses for the economy. Where do we stand now? Has deflation been avoided or has it started to bite?

Certainly, headline inflation has turned negative in the euro area since December 2014. In February 2015 all the euro area members but Austria and Italy registered negative year-on-year price changes, while only Greece and Spain had negative inflation in October 2014. This fall in prices largely reflects the impact of one of the largest declines in oil prices in recent decades. Despite a partial rebound in February-March, oil prices are now still about 30% lower than at the time of the OECD's November outlook.

Such lower oil prices have increased the risks that inflation will remain far below the European Central Bank (ECB) target for an extended period as well as the dangers associated with the excessively low rates of inflation.

However, the risk of prolonged deflation is far from certain. After all, lower oil prices are also bolstering growth in the euro area by increasing real household income. Indeed, consumer sentiment and retail sales have improved in recent months. The combination of this support and the shift to more aggressive quantitative easing (QE) by the ECB has led the OECD to revise its growth forecasts for the euro area upwards from 1.1% to 1.4% in 2015 and 1.4% to 1.7% in 2016. This higher activity should relieve deflationary pressures as QE continues, and economic slack is reduced by stronger growth. Moreover, the sharp euro depreciation, while making exports more competitive, will reduce slack more as well as push import prices higher. The consumer price index could tick up before the end of the year to reflect these factors.


While the bold ECB easing was warmly welcomed given the below-target inflation and persistently weak output, today's

abnormally low interest rates and QE raise the possibility of excessive risk-taking with new liquidity, and consequently asset prices reaching new highs. The remarkable fact that a growing number of national governments are able to sell medium-term bonds at negative nominal interest rates—meaning that investors effectively pay to invest in such bonds—shows how exceptional current circumstances are. And these abnormal terms and risk premiums are not limited to the euro area.

Highly accommodative monetary policy remains necessary to fight deflationary pressures, but the increased financial risks associated with such a stance and the failure (so far anyway) of monetary easing alone to spur strong growth in business investment call for other mutually reinforcing measures: namely, balanced packages that combine fiscal, structural and monetary policies. In short, while lower oil prices and the cheaper euro may offer the euro area escape from stagnation, they should not be allowed to slow reforms aimed at bolstering performance and addressing the causes of the crisis.

"Europe's deflation risk" in *OECD Observer* No 300, Q3 2014, October, see oe.cd/J0

This article was prepared by the OECD Economics Department for the *OECD Observer*, March 2015. Stephanie.Guichard@OECD.org can be contacted for further commentary.



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China and the OECD celebrate 20 years of co-operation



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“China knows how to grow at a blistering pace,” OECD Secretary-General Angel Gurría said in launching the latest *Economic Survey of China* on 20 March.

“The challenge now is to ensure that future growth occurs on a more durable and inclusive footing.” The survey was launched at an event to mark the 20th

anniversary of the OECD’s partnership with China. Since the first workshop on trade and investment in 1995, the relationship has blossomed: “Over 30 Chinese ministries and agencies have been engaged in co-operation with the OECD”, writes Commerce Minister Gao Hucheng, in a brochure marking the 20-year anniversary. Among the more visible aspects of this co-operation are the OECD’s regular surveys of China’s economy, China’s active role in key OECD/G20 initiatives such as the Base Erosion and Profit Shifting (BEPS) project, and the participation of Shanghai in the Programme for International Student Assessment (PISA), with Shanghai students topping the global rankings in 2012. For both China and the OECD, this is a win-win relationship: the UK has launched a maths teacher exchange with Shanghai, showing that OECD members are learning from China’s experience too. <http://www.oecdchina.org/>

Global Ireland



©OECD/Michael Dean

Greening of the OECD headquarters for Saint Patrick's Day 2015

Saint Patrick's Day is the national holiday of OECD member country Ireland. Nowadays, it is quite a global event and on 17 March the Château de la Muette, the home of the OECD in Paris, turned green, making the OECD the first international organisation to do so for Saint Patrick's Day. It joined other global iconic landmarks such as Sacré-Coeur Basilica in Paris, the Great Wall in China, the pyramids in Egypt, the Empire State Building in New York, Christ the Redeemer in Rio de Janeiro, the Spire of Dublin and many more buildings and monuments around the world. See www.oecdobserver.org/ireland for more spectacular images.



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Presidential visit

President Aníbal Cavaco Silva of Portugal paid an official visit to the OECD on 16 March 2015.

Coffees and conversation

Some of the world's foremost thinkers—economists such as Thomas Piketty and Mariana Mazzucato (our photo), as well as historians, environmentalists, writers, artists, photographers—come to the OECD to meet Secretary-General Angel Gurría and discuss world issues over a relaxing cup of coffee. The conversation then opens out into a lively discussion with a packed audience. Transcripts of these “Coffees of the Secretary General” can be read at <http://oe.cd/Vw>



Economist Mariana Mazzucato with OECD Secretary-General Angel Gurría

Recent speeches by Angel Gurría

©Osman Orsa/Reuters



For a complete list of the speeches and statements, including those in French and other languages, go to: <http://www.oecd.org/about/secretary-general/>

The relationship between the OECD and Spain: Past, Present and Future – Nueva Economía Award

Presentation in Madrid, Spain, 2 March 2015

Making inclusive growth happen in the UK

Remarks delivered at London, UK, 23 February 2015

Visit of the Deputy Prime Minister of the Slovak Republic

Remarks at Paris, France, 17 February 2015

G20 Finance Ministers and Central Bank Governors' Meeting: International Tax Issues

Remarks delivered at Istanbul, Turkey, 10 February 2015

OECD's 2015 Going for Growth: Breaking the vicious circle

Presentation in Istanbul, Turkey, 9 February 2015

OECD Round Table on Sustainable Development: Is there a Need for Cooperation on National Climate Change Policies?

Remarks delivered at Paris, France, 3 February 2015

Statement from OECD Secretary-General Angel Gurría on the execution of Japanese journalist Kenji Goto

Paris, France, 1 February 2015

Launch of the report on Better Policies for Colombia

Remarks delivered as part of the visit by the President of Colombia, Juan Manuel Santos to Paris, France, 27 January 2015

World Economic Forum: Press Conference on Anti-Corruption

Remarks at Davos, Switzerland, 22 January 2015

Transforming African Economies: Interconnectedness, Investment and Inclusiveness – OECD-hosted Working Dinner

Remarks delivered at Davos, Switzerland, 22 January 2015

Meeting of the High Level Expert Group on the Measurement of Economic Performance and Social Progress

Opening remarks in Paris, France, 15 January 2015

The Secretary-General's address to the Committee on Foreign Affairs of the French National Assembly

Paris, France, 14 January 2015

Secretary-General Gurría joins President François Hollande of France and other leaders in the Unity March against terrorism on Sunday 11 January at 3pm

Secretary-General Gurría brings forward his return to France to join President Hollande and other leaders in the Unity March against terrorism in Paris, France, 11 January 2015

Signing of the inter-institutional agreement relative to the new international airport of Mexico City

Remarks on the occasion of the agreement between the Ministry of Communications and Transportation and the OECD, Mexico City, Mexico, 9 January 2015

Breakfast with entrepreneurs: 50th anniversary of Anahuac University

Remarks on the promotion of inclusive and sustainable development and corporate social responsibility, Mexico City, Mexico, 9 January 2015

Gurría condemns deadly attack on Charlie Hebdo magazine and sends condolences to President François Hollande of France

Statement issued on oe.cd/Uu, 7 January 2015

Launch of the partnership between the OECD and the government of the state of Morelos

Remarks delivered at Cuernavaca, Morelos, Mexico, 6 January 2015

Launch of OECD Urban Policy Reviews: Mexico 2015, Transforming urban policy and housing finance

Remarks delivered at Mexico City, Mexico, 6 January 2015

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Calendar highlights

Please note that many of the OECD meetings mentioned are not open to the public or the media and are listed as a guide only. All meetings are in Paris unless otherwise stated. For a comprehensive list, see the OECD website at www.oecd.org/newsroom/upcomingevents

MARCH

- 5 Launch of **The ABC of Gender Equality in Education: Aptitude, Behaviour, Confidence**. Paris, France.
- 6 **Annual High-Level Anti-Corruption Conference for G20 Governments and Business**. Istanbul, Turkey.
- 8 **International Women's Day**
- 9-20 Beijing+20 Event - 59th Session of the **Commission on the Status of Women (CSW59)**. New York City, United States.
- 10 Launch of **The Missing Entrepreneurs 2015** with The European Commission. Paris, France.
- 10 **Statistics Day**
- 11 **Heads of International Organisations meet Chancellor Merkel**. Berlin, Germany.
- 14-18 **UN World Conference on Disaster Risk Reduction**. Sendai, Japan.
- 16 **Conference on Investment Treaties: Policy Goals and Public Support**. Paris, France.
- 17-19 **Global Forum on Environment**
- 18 Launch of the **Interim Economic Outlook Assessment**.
- 20 Launch of OECD Economic Surveys: **China 2015**.
- 22 **International World Water Day**
- 22-24 **China Development Forum 2015**.

23-26 **OECD Integrity Week 2015**.

- 25 Launch of OECD Economic Surveys: **Indonesia 2015**.
- 27 Workshop on **life course determinants of subjective well-being** with the Paris School of Economics (PSE).

APRIL

- 1 **Global Forum on Development**. Paris, France.
- 3 Launch of OECD Economic Surveys: **France 2015**.
- 9-11 **Institute for New Economic Thinking (INET) Annual Conference**. Paris, France.
- 12-17 **World Water Forum**, Korea.
- 15 Launch of OECD Economic Surveys: **Japan 2015**.
- 19-21 **World Economic Forum on East Asia 2015**. Jakarta, Indonesia.
- 23 Launch of **OECD Environmental Performance Reviews: Poland 2015**.

MAY

- 3 **World press freedom day**
- 6-8 **World Economic Forum on Latin America 2015**, Riviera Maya, Mexico.
- 21-23 **World Economic Forum on the Middle East and North Africa 2015**, Dead Sea, Jordan.

JUNE

- 2-4 **OECD Week: OECD Forum, OECD Ministerial Council Meeting**, including launch of OECD Economic Outlook No. 97
- 3-5 **World Economic Forum on Africa 2015**, Cape Town, South Africa.
- 5 **World Environment Day**
- 18-19 **Global Forum on Responsible Business Conduct**

JULY

- 13-16 **International Conference on Financing for Development**, Addis Ababa, Ethiopia.

AUGUST

- 23-28 **World Water Week**, Stockholm, Sweden.

SEPTEMBER

- 25-27 United Nations summit for the adoption of the **post-2015 development agenda**, New York City, United States.

OCTOBER

- 20-30 **Global Forum on competition**

NOVEMBER

- 15-16 **G20 Leaders Summit**, Antalya, Turkey.

NOVEMBER-DECEMBER

- 30 Nov-11 Dec **UN Climate Change Conference (21st Conference 25 of the Parties, COP 21)**, Paris, France.

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Tackling dementia with big data



Dementia is an umbrella term coined to embrace all the chronic brain disorders that progressively lead to brain damage and the deterioration of memory,

functional capacity and social relations. Alzheimer's disease, which is fatal, is the most common form of dementia, representing about 60-80% of cases, according to a 2009 study carried out by the non-governmental organisation Alzheimer Europe.

As people live longer the burden of dementia on individuals and healthcare systems is rising everywhere: nearly 50 million people worldwide suffer from dementia, and this number is likely to reach 115 million by 2050. The disease

threatens to become a huge cost, particularly as there is no cure in sight: the worldwide cost of dementia is estimated over half a trillion US dollars per year, roughly equal to the GDP of Switzerland.

But hope may be on the way, in the form of big data, according to *Dementia Research and Care: Can Big Data help?* This means collecting and analysing as much data as possible on potential patients before the symptoms show up: this includes biological and medical data, collected through electronic health records (EHRs), but also population-based data collected in digital forms. Cell phones, credit cards, and even the way people use social media can be useful for collecting lifestyle information, about smoking or the food people eat, for instance.

Dementia is very much a global challenge, and was discussed at the G8 summit on

dementia in London in 2013. Clearly, better data sharing at an international level would help to address the challenge. Governments may share best practices, such as the national dementia plans established in Australia, the US and Switzerland. Protecting people's privacy is a concern for governments wishing to share health-related data, the report says.

Anderson, G. and J. Oderkirk (eds.) (2015), *Dementia Research and Care: Can Big Data Help?*, OECD Publishing, Paris.
<http://dx.doi.org/10.1787/9789264228429-en>

"A modern killer" in *OECD Observer* No 297, Q4 2013,
<http://oe.cd/UT>

OECD (2015), *Addressing Dementia: The OECD Response*, OECD Health Policy Studies, OECD Publishing, Paris.
<http://dx.doi.org/10.1787/9789264231726-en>

Economics for all



What if economics were within everyone's grasp? Although you may feel that discussing Greece's debt sustainability or Europe's ageing problem is beyond your capabilities,

Cambridge scholar Ha-Joon Chang strives to prove that you actually can. With *Economics: The User's Guide*, the author aims to give a short and easy lesson on economics to a large audience by reviewing some basic concepts and mechanisms such as labour and capital, while also refreshing our minds with a summary of the last two and half centuries of economic history.

But do not let this apparently neutral title mislead you. Beyond providing a user's

guide, Professor Chang's book conveys a more political message: that "economics is too important to be left to professional economists". Cleverly provocative, the Cambridge professor mocks the experts who spend more time doing complicated calculations and abstract reasoning than actually looking into the concrete realities of firms.

Talking about his book at the OECD in February 2015, Prof Chang is scathing towards the world of finance and the failure of professional economists to predict the 2008 crisis. He believes that financial markets should be "strictly" regulated as they have become too powerful, and he denounces the "unholy" alliance between shareholders and professional managers.

Economics: The User's Guide is a highly charged book which the author uses to place economics back into what he considers to be its original and rightful

context, namely politics. After all, as Mr Chang insists, values rather than pure science underpin a government's economic policies, with the result that efforts to find a way out of the crisis have at times led to contradictory approaches. Overall, the author wants to equip readers with a few tools to better understand what is going on in the economic sphere, so that they can indeed become more engaged in discussions and policy actions as well, even if they feel allergic to economic numbers.

Chang, Ha-Joon (2014), *Economics, The User's Guide: A Pelican Introduction*, Bloomsbury Press, New York.
ISBN: 9780718197032

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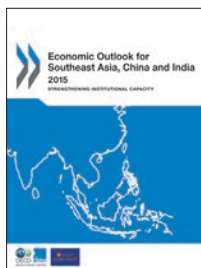
OECD Economic Outlook, Volume 2014 Issue 2, November 2014

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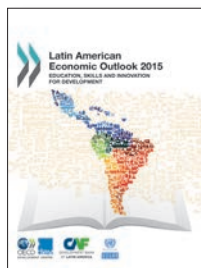


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Latin American Economic Outlook 2015: Education, Skills and Innovation for Development

The *Latin American Economic Outlook* is the OECD Development

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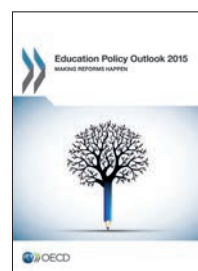
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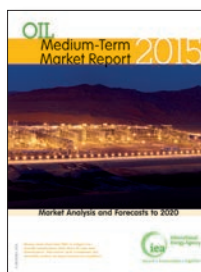
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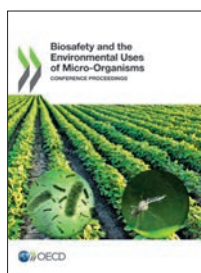
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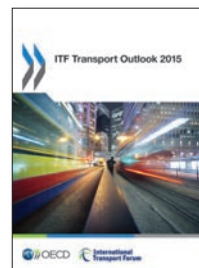
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OECD Urban Policy Reviews: Mexico 2015: Transforming Urban Policy and Housing Finance

ISBN 978-92-64-22728-6, January 2015, 352 pages
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Water Resources Allocation: Sharing Risks and Opportunities

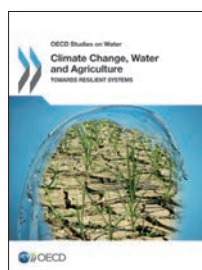
Capturing information from 27 OECD countries and key partner economies, this report presents key findings from the OECD Survey of Water Resources Allocation and case studies of successful allocation reform.

ISBN 978-92-64-22962-4, April 2015, 136 pages
 Read and share: <http://oe.cd/Ty>

Water Governance in Tunisia: Overcoming the Challenges to Private Sector Participation

This report diagnoses the main governance and financing challenges to private sector participation in the water supply and wastewater sector of Tunisia, and provides ways forward to address these challenges.

ISBN 978-92-64-19638-4, November 2014, 120 pages
 Read and share: <http://oe.cd/Tz>

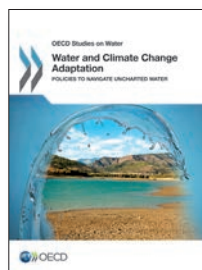


Climate Change, Water and Agriculture: Towards Resilient Systems

This report reviews the main linkages between climate change, water and agriculture

as a means to identifying and discussing adaptation strategies for better use and conservation of water resources.

ISBN 978-92-64-209121, July 2014, 100 pages
 Read and share: <http://oe.cd/AF>



Water and Climate Change Adaptation: Policies to Navigate Uncharted Waters

This publication sets out the challenge for freshwater in a changing climate

and provides policy guidance on how to navigate this new “waterscape”.

ISBN 978-92-64-20043-2, September 2013, 112 pages
 Read and share: <http://oe.cd/jk>



Water Governance in Jordan: Overcoming the Challenges to Private Sector Participation

This report assesses the main governance

and financing challenges to private sector participation (PSP) in the water supply and sanitation sector of Jordan, and provides ways forward to address them, based on international experience and OECD compendium of principles and good practices.

ISBN 978-92-64-21372-2, June 2014, 112 pages
 Read and share: <http://oe.cd/zv>



Water Governance in the Netherlands: Fit for the Future?

This report assesses the extent to which Dutch water governance is fit for future challenges and sketches an agenda for the

reform of water policies in the Netherlands.

ISBN 978-92-64-20894-0, March 2014, 296 pages
 Read and share: <http://oe.cd/vy>



Water Security for Better Lives

This publication examines the critical issues surrounding water security (water shortage, water excess, inadequate water quality, the resilience of

freshwater systems), providing a rationale for a risk-based approach and the management of trade-offs between water and other policies.

ISBN 978-92-64-20239-9, October 2013, 171 pages
 Read and share: <http://oe.cd/jm>

Forthcoming:

- Pricing of Water Services
- Water and Cities: Ensuring Sustainable Futures
- Lessons Learned on Private Sector Participation in the Water and Sanitation Sector

Bacteria to the rescue



Did you know that life on earth would not be possible without micro-organisms?

What is currently overlooked by the public and which could play a substantial role

in the future are the different applications that could be made of micro-organisms, especially in the agricultural and energy fields. Take food, for instance. Some 9 billion people are expected to live on earth by 2050, compared with 7 billion today, but as the global population grows, the amount of land and water will remain unchanged. Most people will live in cities, so trade will be key, as will conserving produce in transit. Already today, a third

of farm produce fails to reach the market due to disease or pests. Genetically engineered biocontrol agents (BCAs) could help address this by increasing plants natural resistance.

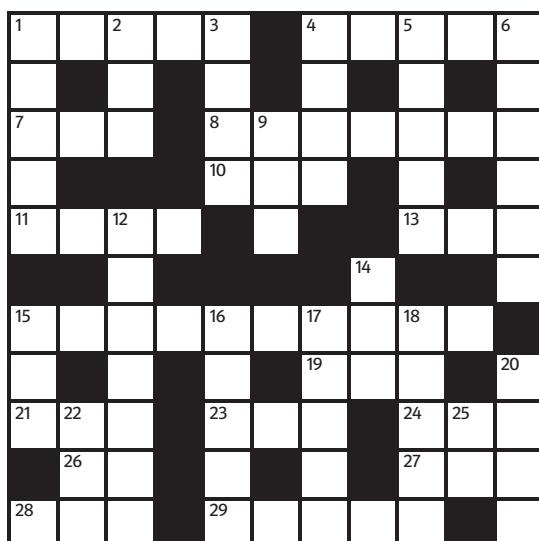
For energy, micro-organisms offer a sustainable way forward, which would be fitting since oil and gas are fossilised organisms. Population growth could spell trouble for many water-sapping biofuels, causing people to shift land-use back to food production. However, microbiology can at the same time give biofuels a boost, such as by enabling the use of algae to produce renewable fuels that can be cultivated on non-arable land, in wastewater streams and some marine waters, for instance.

These examples of what 21st century biotechnology could offer by using

micro-organisms were the subject of policy discussions held in 2012, which form the basis of this book. Although technical, *Biosafety and the Environmental Uses of Micro-Organisms* provides a useful insight into how science and micro-biology in particular can help address world-wide challenges such as global warming, population growth and water and food security. Bacteria and viruses may be health risks, but they are essential for our future too.

OECD (2015), *Biosafety and the Environmental Uses of Micro-Organisms: Conference Proceedings*, OECD Publishing.
<http://dx.doi.org/10.1787/9789264213562-en>

OECD Observer Crossword No 1, 2015



Across

- 1 Key resource for maintaining ecosystems
- 4 Setting for the development of marine biotechnology
- 7 Tree fluid
- 8 Prices
- 10 Day's end, in poetry
- 11 Carve in stone
- 13 Aegean or Irish
- 15 Systems for using water for cultivation
- 19 OECD term for development aid, abbr.
- 21 Look at closely
- 23 One kind of tide
- 24 ____ Paulo
- 26 Used before a vowel
- 27 Unhealthy
- 28 Iceland has many ____ springs
- 29 Goes underground

Down

- 1 Use inefficiently
- 2 Spigot
- 3 Subdivision of mankind
- 4 Largest oil and natural gas producer in the Middle East not a member of OPEC
- 5 Sides of a channel
- 6 Capital in the Caribbean
- 9 Cut down
- 12 River flow, for example
- 14 Government assistance
- 15 Water in a solid state
- 16 Gorge with a stream running through it
- 17 Pulled a ship
- 18 Spring in a desert
- 20 Water ____, pool sport
- 22 Basketball player who was part of the opening of the Beijing Olympics
- 25 Symbol for a light metal

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 See www.oecdobserver.org/crossword

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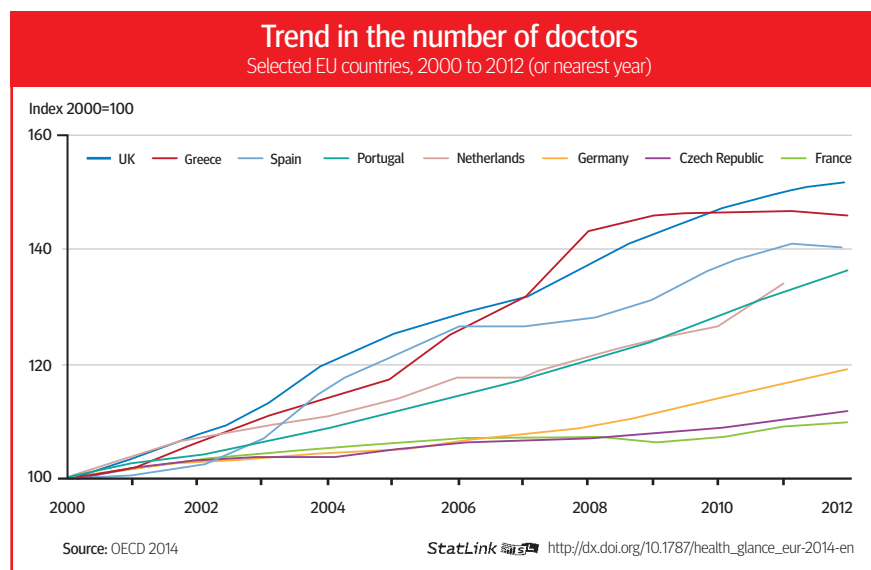
www.oecd-ilibrary.org

Doctors at large

People in the OECD area are living longer and healthier lives. Improved lifestyles are one reason, as are better medical treatments. But could the number of doctors also be a contributing factor?

After all, in most European countries at least, the absolute number of doctors has increased between 2000 and 2012. Overall, looking at the entire period, there were about 20% more doctors in 2012 compared with 2000. From 2000 to 2012, there were 50% more doctors in the United Kingdom, 20% more in Germany, 40% more in Spain, one-third more in Portugal and in the Netherlands (2011). The exceptions are France and the Czech Republic, where the number of doctors has remained relatively stable over the period, while life expectancy has also improved.

Furthermore, the trend clearly rose both before and after the 2008 world economic crisis: in the UK, there were over 10% more employed doctors in 2012 compared with 2008. However, the number has



stabilised or slowed in countries hard hit by the crisis. Despite this upward trend, with a third of doctors over 55 years of age, many European countries could face a shortage of doctors in future, particularly in rural areas.

OECD (2014), *Health at a Glance: Europe 2014*, OECD Publishing.
http://dx.doi.org/10.1787/health_glance_eur-2014-en

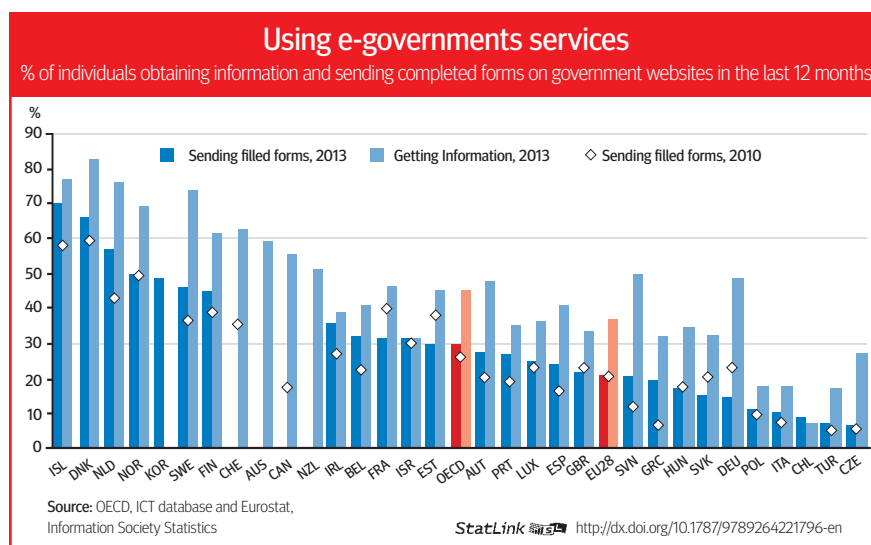
E-government generation

What if digital tools simplified our interactions with public authorities? From document browsing to downloading of forms as well as administrative procedures, governments in most of OECD countries now offer a wide range of online services.

The story is mixed. Most people in the OECD area use e-government services to get information on administration-related matters, though many also use it to send filled forms, such as tax returns. E-government services are used on average by more than 45% of individuals to obtain information, but users show a relatively lower propensity to use them when it comes to filling in a document online: nearly 30% do.

The overall share of individuals using the internet to perform administrative procedures ranges from about 70% in Iceland and Denmark to less than 20% in Poland, Chile, Turkey and Italy.

This may reflect differences in internet



usage rates: in 2013, 90% and more of the adult population had access to the internet in the Nordic countries, but less than 60% in Turkey. Despite a high internet usage rate, the Germans do not seem eager to perform administrative requirements online.

In any case, companies are one step ahead: e-governments services are used by more than 80% of businesses in OECD countries.

OECD (2014), *Measuring the Digital Economy: A New Perspective*, OECD Publishing.
<http://dx.doi.org/10.1787/9789264221796-en>

				% change from:						level:	
				previous period	previous year					current period	same period last year
	Australia	Gross domestic product	Q3-2014	0.3	2.7	Current balance	Q3-2014	-11.6	-12.4		
		Industrial production	Q3-2014	0.5	3.7	Unemployment rate	Q4-2014	6.2	5.8		
		Consumer price index	Q4-2014	0.2	1.7	Interest rate	Q4-2014	2.7	2.6		
	Austria	Gross domestic product	Q3-2014	-0.3	0.0	Current balance	Q1-2014	1.5	3.1		
		Industrial production	Q3-2014	-1.6	-1.3	Unemployment rate	Q4-2014	4.9	5.0		
		Consumer price index	Q4-2014	0.5	1.4	Interest rate	Q4-2014	0.1	0.2		
	Belgium	Gross domestic product	Q4-2014	0.1	0.9	Current balance	Q3-2014	-0.7	2.5		
		Industrial production	Q3-2014	-1.6	0.2	Unemployment rate	Q4-2014	8.5	8.4		
		Consumer price index	Q4-2014	-0.2	-0.1	Interest rate	Q4-2014	0.1	0.2		
	Canada	Gross domestic product	Q3-2014	0.7	2.6	Current balance	Q3-2014	-7.7	-12.6		
		Industrial production	Q3-2014	0.4	3.8	Unemployment rate	Q4-2014	6.7	7.1		
		Consumer price index	Q4-2014	-0.4	1.9	Interest rate	Q4-2014	1.2	1.2		
	Chile	Gross domestic product	Q3-2014	0.4	0.8	Current balance	Q3-2014	0.2	-1.6		
		Industrial production	Q3-2014	1.1	-1.3	Unemployment rate	Q4-2014	6.5	6.1		
		Consumer price index	Q4-2014	1.6	5.5	Interest rate	Q4-2014	0.0	0.0		
	Czech Republic	Gross domestic product	Q3-2014	0.4	2.4	Current balance	Q3-2014	-0.6	-0.8		
		Industrial production	Q3-2014	1.5	3.7	Unemployment rate	Q4-2014	5.8	6.8		
		Consumer price index	Q4-2014	-0.2	0.5	Interest rate	Q4-2014	0.3	0.4		
	Denmark	Gross domestic product	Q3-2014	0.4	0.9	Current balance	Q3-2014	6.3	6.0		
		Industrial production	Q3-2014	0.4	-0.7	Unemployment rate	Q4-2014	6.4	7.0		
		Consumer price index	Q4-2014	0.0	0.4	Interest rate	Q4-2014	0.3	0.3		
	Estonia	Gross domestic product	Q3-2014	0.4	2.3	Current balance	Q3-2014	0.0	-0.2		
		Industrial production	Q3-2014	1.3	3.0	Unemployment rate	Q3-2014	7.5	8.1		
		Consumer price index	Q4-2014	-0.7	-0.5	Interest rate	Q4-2014	0.1	0.2		
	Finland	Gross domestic product	Q3-2014	0.2	0.0	Current balance	Q3-2014	-1.0	-1.2		
		Industrial production	Q3-2014	0.5	-2.6	Unemployment rate	Q4-2014	8.9	8.3		
		Consumer price index	Q4-2014	0.1	0.8	Interest rate	Q4-2014	0.1	0.2		
	France	Gross domestic product	Q3-2014	0.3	0.4	Current balance	Q3-2014	-7.2	-17.3		
		Industrial production	Q3-2014	0.7	-0.1	Unemployment rate	Q4-2014	10.3	10.2		
		Consumer price index	Q4-2014	-0.2	0.3	Interest rate	Q4-2014	0.1	0.2		
	Germany	Gross domestic product	Q3-2014	0.1	1.2	Current balance	Q3-2014	77.0	57.1		
		Industrial production	Q4-2014	0.5	0.6	Unemployment rate	Q4-2014	4.9	5.1		
		Consumer price index	Q4-2014	-0.3	0.5	Interest rate	Q4-2014	0.1	0.2		
	Greece	Gross domestic product	Q3-2014	0.7	1.6	Current balance	Q3-2014	1.8	1.7		
		Industrial production	Q3-2014	-5.1	-4.1	Unemployment rate	Q3-2014	26.2	27.9		
		Consumer price index	Q4-2014	-0.7	-1.8	Interest rate	Q4-2014	0.1	0.2		
	Hungary	Gross domestic product	Q3-2014	0.5	3.1	Current balance	Q3-2014	1.4	1.5		
		Industrial production	Q3-2014	-0.8	6.6	Unemployment rate	Q3-2014	7.5	10.1		
		Consumer price index	Q4-2014	-0.9	-0.7	Interest rate	Q4-2014	2.0	3.3		
	Iceland	Gross domestic product	Q3-2014	3.9	-0.3	Current balance	Q3-2014	0.1	0.2		
		Industrial production	Q3-2014	14.3	7.2	Unemployment rate	Q3-2014	4.8	5.5		
		Consumer price index	Q4-2014	-0.1	1.3	Interest rate	Q4-2014	5.9	6.2		
	Ireland	Gross domestic product	Q3-2014	0.1	3.6	Current balance	Q1-2014	4.1	2.6		
		Industrial production	Q4-2014	7.1	26.9	Unemployment rate	Q4-2014	10.7	12.2		
		Consumer price index	Q4-2014	-0.7	0.0	Interest rate	Q4-2014	0.1	0.2		
	Israel	Gross domestic product	Q3-2014	0.0	1.8	Current balance	Q3-2014	1.7	1.5		
		Industrial production	Q3-2014	1.9	2.1	Unemployment rate	Q4-2014	5.7	5.8		
		Consumer price index	Q4-2014	-0.1	-0.2	Interest rate	Q4-2014	0.2	0.9		
	Italy	Gross domestic product	Q3-2014	-0.1	-0.5	Current balance	Q3-2014	10.6	5.5		
		Industrial production	Q3-2014	-1.0	-1.2	Unemployment rate	Q4-2014	13.2	12.4		
		Consumer price index	Q4-2014	-0.2	0.1	Interest rate	Q4-2014	0.1	0.2		
	Japan	Gross domestic product	Q3-2014	-0.5	-1.2	Current balance	Q3-2014	6.2	5.7		
		Industrial production	Q3-2014	-2.0	-1.2	Unemployment rate	Q4-2014	3.5	3.9		
		Consumer price index	Q4-2014	-0.3	2.5	Interest rate	Q4-2014	0.2	0.2		
	Korea	Gross domestic product	Q4-2014	0.4	2.8	Current balance	Q3-2014	19.4	20.3		
		Industrial production	Q4-2014	-1.2	-2.0	Unemployment rate	Q4-2014	3.5	3.0		
		Consumer price index	Q4-2014	-0.4	1.0	Interest rate	Q4-2014	2.2	2.7		
	Luxembourg	Gross domestic product	Q3-2014	2.3	3.8	Current balance	Q3-2014	0.8	0.1		
		Industrial production	Q3-2014	1.3	5.4	Unemployment rate	Q4-2014	5.9	6.0		
		Consumer price index	Q4-2014	-0.3	-0.1	Interest rate	Q4-2014	0.1	0.2		
	Mexico	Gross domestic product	Q3-2014	0.5	2.1	Current balance	Q3-2014	-2.7	-6.9		
		Industrial production	Q3-2014	0.4	..	Unemployment rate	Q4-2014	4.6	4.8		
		Consumer price index	Q4-2014	1.7	4.2	Interest rate	Q4-2014	3.3	3.9		

				% change from:						level:	
				previous period	previous year					current period	same period last year
	Netherlands	Gross domestic product	Q3-2014	0.1	1.0	Current balance	Q3-2014	20.2	20.4		
		Industrial production	Q4-2014	-2.1	-2.2	Unemployment rate	Q4-2014	6.6	7.0		
		Consumer price index	Q4-2014	-0.6	0.9	Interest rate	Q4-2014	0.1	0.2		
	New Zealand	Gross domestic product	Q3-2014	1.3	3.1	Current balance	Q3-2014	-2.1	-1.9		
		Industrial production	Q3-2014	2.2	4.0	Unemployment rate	Q4-2014	5.7	6.0		
		Consumer price index	Q4-2014	-0.2	0.8	Interest rate	Q4-2014	3.7	2.7		
	Norway	Gross domestic product	Q2-2014	0.5	2.0	Current balance	Q3-2014	8.4	11.2		
		Industrial production	Q4-2014	1.6	6.5	Unemployment rate	Q3-2014	3.6	3.5		
		Consumer price index	Q4-2014	0.4	2.0	Interest rate	Q4-2014	1.6	1.7		
	Poland	Gross domestic product	Q3-2014	0.9	3.4	Current balance	Q3-2014	-2.0	-1.5		
		Industrial production	Q3-2014	0.4	1.5	Unemployment rate	Q4-2014	8.2	10.0		
		Consumer price index	Q4-2014	-0.4	-0.6	Interest rate	Q4-2014	2.0	2.7		
	Portugal	Gross domestic product	Q3-2014	0.3	1.1	Current balance	Q3-2014	0.9	0.1		
		Industrial production	Q4-2014	-1.4	-1.5	Unemployment rate	Q4-2014	13.5	15.4		
		Consumer price index	Q4-2014	0.5	-0.1	Interest rate	Q4-2014	0.1	0.2		
	Slovak Republic	Gross domestic product	Q3-2014	0.6	2.5	Current balance	Q3-2014	-0.2	0.2		
		Industrial production	Q3-2014	0.7	2.6	Unemployment rate	Q4-2014	12.6	14.1		
		Consumer price index	Q4-2014	-0.1	0.0	Interest rate	Q4-2014	0.1	0.2		
	Slovenia	Gross domestic product	Q3-2014	0.7	3.1	Current balance	Q3-2014	0.7	0.6		
		Industrial production	Q3-2014	0.6	2.9	Unemployment rate	Q4-2014	9.7	9.7		
		Consumer price index	Q4-2014	0.1	-0.1	Interest rate	Q4-2014	0.1	0.2		
	Spain	Gross domestic product	Q3-2014	0.5	1.7	Current balance	Q3-2014	-0.1	4.4		
		Industrial production	Q3-2014	-0.6	0.7	Unemployment rate	Q4-2014	23.8	25.8		
		Consumer price index	Q4-2014	0.4	-0.5	Interest rate	Q4-2014	0.1	0.2		
	Sweden	Gross domestic product	Q3-2014	0.3	2.1	Current balance	Q2-2014	7.5	9.2		
		Industrial production	Q3-2014	-1.4	-3.5	Unemployment rate	Q4-2014	7.8	8.0		
		Consumer price index	Q4-2014	0.1	-0.2	Interest rate	Q4-2014	0.1	0.9		
	Switzerland	Gross domestic product	Q3-2014	0.6	1.9	Current balance	Q3-2014	12.2	20.6		
		Industrial production	Q3-2014	-4.5	-1.7	Unemployment rate	Q3-2014	4.8	4.7		
		Consumer price index	Q4-2014	-0.1	-0.1	Interest rate	Q4-2014	0.0	0.0		
	Turkey	Gross domestic product	Q3-2014	0.4	2.6	Current balance	Q2-2014	-9.3	-17.5		
		Industrial production	Q3-2014	1.7	4.3	Unemployment rate	Q3-2014	10.5	9.0		
		Consumer price index	Q4-2014	2.0	8.8	Interest rate	..	..	..
	United Kingdom	Gross domestic product	Q4-2014	0.5	2.7	Current balance	Q3-2014	-45.1	-40.1		
		Industrial production	Q3-2014	0.2	1.2	Unemployment rate	Q3-2014	5.9	7.6		
		Consumer price index	Q4-2014	0.1	0.9	Interest rate	Q4-2014	0.5	0.5		
	United States	Gross domestic product	Q4-2014	0.7	2.5	Current balance	Q3-2014	-100.3	-101.3		
		Industrial production	Q4-2014	1.4	4.8	Unemployment rate	Q4-2014	5.7	7.0		
		Consumer price index	Q4-2014	-0.8	1.2	Interest rate	Q4-2014	0.1	0.1		
	European Union	Gross domestic product	Q3-2014	0.3	1.3	Current balance		..	..
		Industrial production	Q3-2014	-0.4	0.6	Unemployment rate	Q4-2014	10.0	10.7		
		Consumer price index	Q4-2014	..	0.2	Interest rate		..	..
	Euro area	Gross domestic product	Q3-2014	0.2	0.8	Current balance	Q2-2014	85.1	80.6		
		Industrial production	Q3-2014	-0.5	0.4	Unemployment rate	Q4-2014	11.5	11.9		
		Consumer price index	Q4-2014	..	0.2	Interest rate	Q4-2014	0.1	0.2		
Non-members											
	¹ Brazil	Gross domestic product	Q3-2014	0.1	-0.2	Current balance	Q2-2014	-19.6	-19.9		
		Industrial production	Q3-2014	-0.1	-3.7	Unemployment rate		..	..
		Consumer price index	Q4-2014	1.5	6.5	Interest rate		..	..
	¹ China	Gross domestic product		..	..	Current balance		..	..
		Industrial production		..	..	Unemployment rate		..	..
		Consumer price index	Q4-2014	0.4	1.5	Interest rate	Q3-2014	4.5	5.4		
	¹ India	Gross domestic product	Q3-2014	1.5	5.9	Current balance		..	..
		Industrial production	Q3-2014	-0.9	1.6	Unemployment rate		..	..
		Consumer price index	Q4-2014	0.1	5.0	Interest rate		..	..
	¹ Indonesia	Gross domestic product	Q3-2014	1.2	5.0	Current balance	Q4-2013	-3.5	-7.3		
		Industrial production		..	..	Unemployment rate		..	..
		Consumer price index	Q4-2014	2.7	6.5	Interest rate	Q3-2014	9.3	6.2		
	Russian Federation	Gross domestic product	Q3-2014	0.0	0.6	Current balance		..	..
		Industrial production	Q4-2014	1.2	2.2	Unemployment rate		..	..
		Consumer price index	Q4-2014	3.1	9.6	Interest rate	Q3-2014	8.8	7.7		
	¹ South Africa	Gross domestic product	Q3-2014	0.4	1.3	Current balance		..	..
		Industrial production		..	..	Unemployment rate		..	..
		Consumer price index	Q4-2014	0.2	5.7	Interest rate	Q4-2014	5.9	5.1		

Gross domestic product: Volume series; seasonally adjusted. **Leading indicators:** A composite indicator based on other indicators of economic activity, which signals cyclical movements in industrial production from six to nine months in advance. **Consumer price index:** Measures changes in average retail prices of a fixed basket of goods and services. **Current balance:** Billion US\$; seasonally adjusted. **Unemployment rate:** % of civilian labour force, standardised unemployment rate; national definitions for Iceland, Mexico and Turkey; seasonally adjusted apart from Turkey. **Interest rate:** Three months.

Current balance data are reported according to the BPM6 classification except Israel, Mexico, Sweden, Turkey and non-members.

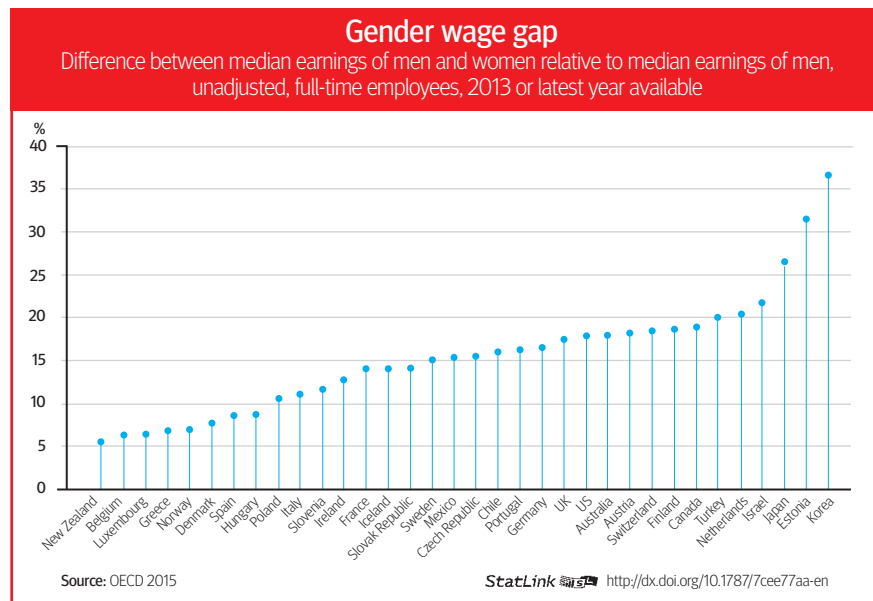
..=not available, ¹Key Partners. The data for euro area now cover 19 countries. Source: *Main Economic Indicators*, February 2015.

Pay gap

Unequal pay between men and women continues to pose problems, despite decades of legislation by governments to address it, like the Equal Pay Act in the United States and the French labour code on wage equality introduced about half a century ago. In fact, not only are women still paid considerably less than men throughout the world, but UN predictions suggest the gap will persist for 70 years to come.

OECD countries are no exception. Most of them show gender pay gaps for full-time workers of between 10 and 20%. The widest gaps are found in Korea where women are paid 35% less than men, and in Japan where they earn 26% less. With gender pay gaps of between 15 and 18%, France, Germany, the UK and the US are far from being model pupils. On the contrary, New Zealand scores best among the OECD countries, with a 6% pay gap. It is closely followed by Belgium, Denmark and Norway, whose pay gaps evolve around 7%.

Perhaps surprisingly, the pay gaps are relatively narrow—around 10%—in crisis-hit



Greece and Spain, perhaps because only the most qualified women remain in their jobs, which increases women's median earnings.

While gender pay gaps have fallen in most

OECD countries, progress has slowed, from a decline of 2.1 percentage points per year in 2000-06 to 0.9 percentage points in 2006-12.

See www.oecd.org/gender

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