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Single copy:
€ 15ISBN 92-64-10846-7
Tel.: +33 01 45 24 82 00
Fax: +33 01 44 30 63 46
sales@oecd.orgPublished in English by the
Organisation
for Economic Co-operation
and DevelopmentLes éditions de l'OCDE
2, rue André-Pascal
75775 Paris cedex 16, France
www.oecd.org

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OECD Boulogne

PRINTING

OECD Boulogne

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SPEAKERS

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- **Jean-Pierre Garnier**, CEO, GlaxoSmithKline, United Kingdom
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In Botswana, our partnership with the Government of Botswana and the Bill and Melinda Gates Foundation - the African Comprehensive HIV/AIDS Partnerships (ACHAP) - is helping to battle the AIDS pandemic through a comprehensive HIV/AIDS prevention, education and treatment program.



In Romania, where children make up the largest portion of the country's HIV infections, we are assisting the government to provide universal access to HIV medicines.

At Merck & Co., Inc., we are proud of our strong history of forging partnerships that are making a difference in the lives of millions and helping to create a better world.





The Health of Nations: the role of Information Technology and Public-Private Partnerships

In the new economy, information technology can help to build a competitive and inclusive society. As technology has become integral to the way in which we live and work, Governments across Europe are increasingly seeking ways of harnessing its potential for public policy ends, to connect with citizens and to deliver essential public services.

In Europe, the paradigm shift towards an online environment is further bolstered by the European Union's Lisbon objectives to make Europe the most competitive knowledge-based economy in the world by 2010. This plan lays out the vision for an information society, encouraging greater interaction between citizens, governments and business through the use of information technology and the Internet. It is a vision that depends on partnerships between the public and private sectors.

The challenges of broad access to Infrastructure, technological know-how and the security of online services persist, and a recent survey by the European Commission suggests that more work is needed to meet the Lisbon timescale. The goal nonetheless remains a worthy one, and the technology is there to deliver it.

Across the countries of the enlarged European Union, from Ireland to Poland, governments are putting in place the infrastructure that will build the new information society. From web-portals where people can fill in their tax forms or register to vote, to national patient data systems in health-care, to applications that enable anyone with online access to participate in teleworking and distance learning.

All of these applications work towards a common goal: using technology to help create an inclusive society in which people can learn and engage to the greatest possible extent, using the efficiencies and new opportunities that creates as the engine for economic growth in Europe.

In view of the breadth of the government agenda on technology, Microsoft and its partners in the industry have sought to respond on the same scale. Microsoft has focused on working with governments both as customers and partners. Education, e-government and online security are key areas in which this collaboration is contributing to public policy goals.

In September 2003, for example, Microsoft launched its Partners in Learning Programme (PiL), offering a range of benefits to governments in

bringing technology into schools and colleges through special pricing of products, training for teachers, support for installed technology and a range of co-operation on development and funding. This global education initiative is implemented in partnership with Governments, which adapt the Programme components to local educational needs and challenges. In Europe and Africa, Partners in Learning is already being implemented in a number of countries, including Bulgaria, Estonia, France, Germany, Hungary, Italy, Lithuania, Spain, Mozambique and Namibia.

It is in the combination of working with governments as partners, to support their technology needs, as well as using our resources to help support the policy goals of growth and inclusion that Microsoft sees the future of its relationship with the public sector.

As a leader in the technology industry, Microsoft recognises its responsibility to engage fully on every level with Government in its capacity as customer, regulator and partner. We will continue to do so as Europe moves towards 2010 and beyond.

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Dans bien des pays du monde, le vieillissement de la population s'accélère avec la baisse de la natalité et l'augmentation de la durée de la vie. Ce phénomène démographique représente un défi sans précédent mais aussi une opportunité exceptionnelle.

Pour nous, la santé d'âge en âge doit être la priorité de chacun à tous les stades de l'existence : la jeunesse, la maturité et la vieillesse. C'est en conjuguant leurs efforts que les gouvernements, les citoyens et l'industrie feront de cette aspiration une réalité.

En agissant en partenariat avec tous les acteurs, Pfizer s'engage dans la construction d'un avenir où la santé de chacun aura toute sa place.



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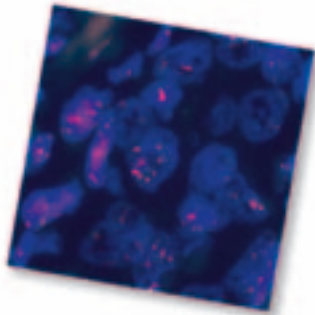
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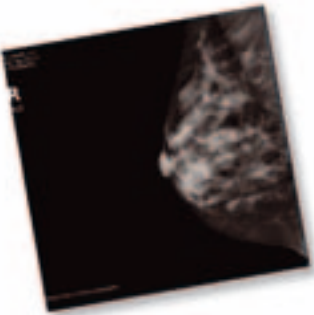
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Top image shows fluorescent labeling of the Her2 gene product, which types the specific breast cancer and confirms Herceptin will be an effective therapeutic.

The bottom image shows breast cancer using GE's Senographe® DS Full-Field Digital Mammography system.



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Our commitment begins with cutting-edge science to find new treatments and cures for diseases that afflict our fellow citizens around the globe. In the 1980s, we pioneered new medicines that help prevent the rejection of transplanted organs. More recently, our breakthrough cancer drug has transformed the standard of treatment for one of the most common forms of leukemia. And our new medicine for drug-resistant malaria offers hope for millions of people in the developing world whose lives are threatened by this deadly disease.

By supplying high quality, innovative products and services to patients and physicians, we create value for our shareowners, employees and society. And we protect and sustain this contribution by implementing transparent, ethical corporate standards and policies in our business operations.

In 2000, Novartis was among the first companies to sign the United Nations Global Compact, an initiative sponsored by UN Secretary-General Kofi Annan specifying nine principles regarding human rights, labor and the environment. Over the past three years, Novartis has worked hard at building a state-of-the-art corporate governance system that provides full transparency for our stakeholders.

In partnership and cooperation with the World Health Organization, we are supplying our innovative treatment for drug resistant

malaria to patients at cost, providing free treatment for leprosy patients worldwide and donating thousands of tuberculosis treatment courses to the Global Fund. And through the newly established Novartis Institute for Tropical Diseases in Singapore, our scientists are focused on finding new treatments for multi-drug resistant tuberculosis as well as persistent tuberculosis and Dengue fever, two diseases that affect

more than 2.5 billion people worldwide every year. These programs build upon the long history of the Novartis Foundation for Sustainable Development, which has been a private sector leader in innovative, performance-related development cooperation for more than 25 years.

Improving access to medicines for patients in need is an important mission at Novartis. Each year, we provide several hundred million dollars worth of support for projects to improve access to medicines and combat diseases of today and invest billions in research and development to find new treatments and cures for tomorrow.

While we cannot alone solve the enormous public health challenges facing society, we are proud to play our part in developing solutions that improve the lives of patients everyday.

We strongly believe that every citizen can help improve our world by making a contribution based on unique expertise and experience. That's why we choose to focus on the battle against neglected diseases – from leprosy and malaria to tuberculosis and Dengue fever – where our drug discovery expertise can make a real difference.



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Caring & Curing



Age Old *Issues,* New *Perspectives*

Through the AARP Global Aging Program, we facilitate understanding and dialogue around the global aging agenda by convening and participating in international social and economic policy debates worldwide. Working with governmental and nongovernmental organizations to exchange ideas and establish “best practices” in addressing aging concerns worldwide, the AARP Global Aging Program is currently focused on the issues of pensions, labor markets, age discrimination, health care, long-term care, and advocacy.

AARP is a 35 million member nongovernmental organization representing and addressing the needs and interests of people age 50 and over.

We lead positive social change and enhance the quality of life for people age 50 and over through social policy, group buying arrangements, communications, advocacy, and community service.



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Alliance for Health & the Future

At the International Longevity Centre

“An ageing population free of disability and disease and productively engaged in society, is desirable, achievable and a goal towards which we must steadfastly apply ourselves.

Contrary to popular belief, an ageing society is not expensive. In fact, research shows that a healthy later life brings with it enormous economic and societal benefits. Therefore, conquering the challenges presented by the ageing of society should be viewed as a victory for individuals and society as a whole, the world over. “

*Professor Françoise Forette (France)
Baroness Sally Greengross (UK)
Professor Robert N. Butler (US)*

Co-Chairs, Alliance for Health & the Future

The Alliance envisions a society that thrives because all people, regardless of their age, enjoy healthy and fulfilling lives, at home, at work and in their communities.

Tapping unprecedented achievements in health and longevity, the Alliance will encourage greater societal awareness of issues related to healthy ageing. To promote longer and fuller lives, the Alliance will foster healthy lifestyles, quality healthcare and economic security. An important goal of the Alliance is to build relationships between individuals, communities, organisations and governments, in order to raise awareness of the factors that contribute to a healthier and more productive life. The Alliance will advance knowledge and provide training, skills and systems to help every individual, and society as a whole, realise a healthy future.

www.healthandfuture.org - email: info@healthandfuture.org

L'Alliance a pour ambition de contribuer à l'effort commun pour que chaque individu puisse bénéficier tout au long de sa vie, d'une vie privée, professionnelle et sociale, épanouissante et en bonne santé.

Pour accompagner la Révolution de la longévité, l'Alliance suscitera des réflexions sur la qualité des systèmes de soin et des modes de vie pour cette population en pleine expansion, qui contribue au développement économique de nos pays. La principale mission de l'Alliance est de catalyser les relations entre les différents partenaires publics et privés afin de susciter une meilleure prise de conscience des facteurs qui pourraient contribuer à un développement optimal de chacun et une avancée en âge active et en bonne santé. L'Alliance contribuera également à faire progresser la recherche et les connaissances dans ces domaines et favorisera leur diffusion auprès des décideurs et d'un large public.

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Opening Session – Health of Nations

Open Dialogue to Strengthen Open Markets

- **MODERATOR : LORD ALAN WATSON OF RICHMOND**, CHAIRMAN EUROPE, BURSON MARSTELLER, AND MEMBER OF THE HOUSE OF LORDS, UNITED KINGDOM
- **LUIS ERNESTO DERBEZ**, MINISTER FOR FOREIGN AFFAIRS, MEXICO
- **DONALD J. JOHNSTON**, SECRETARY-GENERAL, OECD

Adam Smith would surely not have approved of the OECD Forum, mused **Lord Alan Watson of Richmond**. According to Adam Smith, “People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public”. But dialogue, Lord Watson insisted, is diametrically opposed to conspiracy – and this is what the OECD Forum is all about. The Health of Nations relies on good dialogue between citizens, their governments and companies.

“We are living in a time where we face a new order of risk, from terrorism, to climate change and health issues, and the immediacy of these changes requires society to act”, Lord Watson said. “While we may not be able to avoid all the errors and misconceptions of our time, we can find a way through them with good dialogue



Lord Alan Watson



Luis Ernesto Derbez

– the quality of a society depends on the quality of its dialogue.”

Lord Watson stressed that the media have a key role to play. As Abraham Lincoln said, “Let the people know the truth and the country is safe”.

Mexican Foreign Affairs Minister **Luis Ernesto Derbez** made a keynote address to the Forum, a condensed version of which is set out below:

It is an honour and a privilege for Mexico to be chairing the 2004 OECD Ministerial Council Meeting, as well as to be participating in Forum 2004. In a few days’ time, Mexico will be celebrating the 10th anniversary of its OECD membership. Only ten years have passed and yet the world has changed dramatically. So has Mexico.

1994 was a landmark year for Mexico. It was the year in which Mexico experienced political turmoil caused by a regional uprising in Chiapas. And at the end of that year, Mexico was on the verge of a financial collapse. In the subsequent ten years, Mexico has achieved a higher degree of economic and political maturity.

Mexico now has a broad and dynamic international presence. Its economic development depends largely on the income generated by international trade, foreign investment and tourism. One-third of our national product is made up of exports, and a significant proportion of highly paid, high productivity jobs with good working conditions in Mexico are directly and indirectly linked to sales abroad.

Trade can provide a strong backbone for sustained world economic growth. Nevertheless, for world trade potential to be fully realised, trade distortions and disguised protectionism should be removed. Thus, there is no other alternative than to accomplish a successful Doha Development Agenda (DDA).

At Cancún, the lack of a general agreement on critical issues such as agriculture, the Singapore issues and cotton subsidies represented an impasse for the DDA. This result was unfortunate for developed countries, but even more so for developing countries as international trade and investment are among the most important sources of development finance. Paradoxically, some developing countries left Cancún with a sense of triumph.

The advancement of the DDA is in every country's interest. Mexico, being both an OECD member and a developing country, would like to help bridge the differences between developed and developing countries. The success of the DDA depends upon the compromise and commitment of all WTO members. Mexico is fully committed to multilateralism in international trade negotiations and expects a similar commitment from all WTO members.

But international trade and investment will not bring the results we seek unless we aggressively pursue our own domestic agendas through good governance. Good governance includes the creation, protection, and enforcement of property rights, without which the scope for market transactions is limited. It includes the provision of a regulatory regime that works with the market to promote competition. And it also includes sound macroeconomic policies that create a stable environment for market activity.

Good governance also means the absence of corruption, which can undermine the legitimacy of public institutions that support markets. Besides good governance in public institutions, countries also need good corporate governance. As the pioneering work of the OECD has shown, good corporate governance underpins long term growth by maintaining public confidence and financial stability.

The last topic I would like to raise is the challenge faced by Mexico and other OECD member countries: changing demographics. Ten years ago, half of our population was under 18 years of age. Nowadays, that half is under 24 years of age and it is projected to grow older in the years to come. This means that our active labour force will increase less rapidly than in the past, but at the same time the retired population will continue to rise. Additional resources will be needed to finance increased pension expenditure, creating a strong pressure on public resources.

Pensions and health financing go hand in hand. The health of our citizens is not only an ethical responsibility, but also a central component for the development of human



capital to increase productivity and hence economic growth. It has a strategic dimension in terms of social equality, as well.

As long as citizens are healthy, so are nations. Governments should make every effort available to them to ensure the attainment of this goal. The OECD Forum 2004 is an invaluable occasion to discuss some of the topics associated with the health of our nations.

OECD Secretary-General **Donald J. Johnston** made an opening address to the Forum, a condensed version of which is set out below:

This year, we celebrate the fifth anniversary of the OECD Forum. In the life of the organisation, the Forum has become increasingly important, because it gives us the opportunity to build a dialogue between business and labour leaders, civil society and media personalities, government ministers, as well as leaders of international organisations. The Forum allows us to better understand the concerns and hopes of each and every one of us in the globalised world economy.

The "Health of Nations" is a very timely theme. Over these next three days, we will seek to achieve progress in tackling the most difficult issues on the national and international agendas in terms of the health



Donald J. Johnston

of our citizens, health of the world economy and the health of multilateral co-operation. For example: in our health systems, how to deal with the problems of financial sustainability and efficiency?

In the OECD area, health spending now averages almost 9% of total national expenditure, double its share in 1970. Tomorrow's health systems will be even more costly. Advances in technology mean that we will be able to do much more, but we will have to pay more, too. The increasing share of elderly in our



Luis Ernesto Derbez and Donald J. Johnston

populations will also raise the demand for healthcare in the years ahead. What matters to governments is that some three-quarters of health spending is paid by the public purse.

Evidence from the OECD Health Project shows that, across countries, there are wide differences in the cost of care – and moreover that there is scope to achieve the same or better health results at a lower cost. One example is disease prevention – perhaps the best known case is the dramatic reduction in rates of smoking since the 1960s leading to a decline in the incidence of lung cancer.

Another set of questions that will be addressed by the Forum and our Ministerial meeting concern economic growth and the implications of population ageing. How to ensure that economic recovery is strong and sustainable? How to manage the negative effects of ageing populations on economic growth and public finance?

The retirement age in OECD countries has progressively come down, while at the same time life expectancy is lengthening. Thus, most people work for a much smaller portion of their lives. This means that the amount of resources transferred from the active

population to the population in retirement would necessarily increase in order to finance pensions and healthcare. Taxes would have to be increased to face such burdens.

What to do? The answer is not an easy one. Technology could help increase productivity up to a certain point, and immigration can also play a role. But perhaps the real answer

lies in people working for a longer period of their lives? It is a question upon which we are forced to reflect. It will be important to correct the deficiencies in our current policies quickly.

Finally, this Forum and the Ministerial will pose some pressing questions about the multilateral system of trade and investment and how to create new momentum in the DDA trade talks. The multilateral trade negotiations have been stalled since the Cancún WTO Ministerial meeting in September last year. We are now beginning to see some stirring of movement. I hope that over the next two days we will see some signs of progress. As we all appreciate, the most important steps to take are to address developing country concerns, especially in agriculture, which is of great importance to the economic prospects of many developing countries.

As we focus on these challenges, it is all too easy to forget the immense progress that has been made in all of these areas over the last half century. And it is all too easy to overlook the potential for continued progress on many fronts. As the great economist Keynes urged, “Examine the present in light of the past for the purposes of the future.” That is what we will be doing together at this Forum. ■



Corporate Responsibility and the OECD Guidelines for Multinational Enterprises

Bridging the Trust Gap

- **MODERATOR: MARK LANDLER**, FRANKFORT CORRESPONDENT, NEW YORK TIMES
- **JEAN-PHILIPPE COURTOIS**, CEO, MICROSOFT EUROPE, MIDDLE EAST AND AFRICA
- **JOHN MONKS**, GENERAL SECRETARY, EUROPEAN TRADE UNION CONFEDERATION
- **JANE NELSON**, DIRECTOR OF CORPORATE SOCIAL RESPONSIBILITY INITIATIVE, HARVARD UNIVERSITY, UNITED STATES
- **NEVENKA PERGAR**, BOARD MEMBER, AKTIVA INVEST, SLOVENIA



Mark Landler, Jean-Philippe Courtois and John Monks

Are businesses acting responsibly in their activities and how can the OECD Guidelines for Multinational Enterprises (MNE) help them to achieve broad goals? **Jane Nelson** reminded the audience that the health of nations was a notion that embraced economic and environmental well-being. She noted that the OECD MNE Guidelines

had three main principles: do no harm; be proactive; and promote corporate responsibility and transparency in the market. There is an acceptance of the need to involve stakeholders in corporate governance.

Mark Landler pointed to the voluntary nature of the OECD Guidelines as one of the key issues, and subsequent speakers took up this point, wondering if stricter application was not needed. **John Monks** said he would adopt the role of cynic, taking as an example Shell's efforts to improve its public image in the environment and energy conservation field, though this firm still fell foul to some questionable business practices. John Monks noted a recent European poll showing that 61% of those polled did not trust large companies. "The goal of companies must be to improve trust, especially in financial institutions and pension funds", he said. In particular, "the paternalism of corporations must end".

Nevenka Pergar pointed out that though Slovenia was not yet an OECD member, it had nonetheless signed the OECD MNE guidelines. As representative of a financial holding company, Nevenka Pergar was in favour



Jane Nelson



John Monks

of making regulations more binding. She saw several major areas for improvement: transparency in boardroom governance; quality management; education and strengthening links with civil society.

Jean-Philippe Courtois said that Microsoft was embarked on two journeys: that of becoming a global MNE, and that of “thinking through” and applying corporate social responsibility (CSR) throughout the business. In fact, CSR was itself an ongoing journey rather than a short-term destination. The watchword at Microsoft was that “people,



Nevenka Pergar

planet, profits” are integral parts of CSR and that business was part of society, not divorced from it. Standards of business conduct and empowering communities, including in developing countries, through access to technology and IT skills learning were two particular priorities at Microsoft, and technology had a role to play in promoting high standards, people

participation and corporate citizenship. Participants from the floor expressed some scepticism about the degree to which companies were willing to collaborate with governments in adhering to the OECD MNE guidelines. Jane Nelson acknowledged that more had to be done, and emphasised several ways to improve the guidelines’ effectiveness, including the need to provide clearer and better information, and to ensure that the guidelines were applied to government procurement.

Several speakers argued that it was all very well to want stakeholder participation, but these had to want to become involved, pointing to the difficulty of getting stakeholders into the boardrooms. There was also some concern about how stakeholder consultations might absorb company time and resources. ■



Jean-Philippe Courtois

Health, Human Rights and Development

Towards a Rights-Based Human Health

- **MODERATOR: RICHARD MANNING**, CHAIR, OECD DEVELOPMENT ASSISTANCE COMMITTEE
- **MARY ROBINSON**, EXECUTIVE DIRECTOR, ETHICAL GLOBALIZATION INITIATIVE AND FORMER PRESIDENT OF IRELAND

In her keynote speech to the OECD Forum, Mary Robinson made the following main points:

My first message to you is simple: health, human rights and development are inextricably linked, and the linkages are both multiple and multi-causal.

First, let us take health and development: the work of the Commission on Macroeconomics and Health, under the leadership of Jeffrey Sachs, has demonstrated to all of us that health is at the heart of development. Ill health is both a cause and a consequence of poverty and under-development. Historically, disease and poverty go hand in hand, and improvements in nutrition, sanitation and healthcare are simply central to social and economic development – as in the industrial revolution, which was preceded by advances in agriculture, nutrition and sanitation.

Next, let us look at the relationship between health and human rights. Again, the synergies are unmistakable. Human rights violations are both a cause and a result of ill health, as in the AIDS pandemic. The relationship between health and the so-called economic and social rights – the rights to adequate food, housing, water, social security, education, to name just a few – are glaring. But the connections with civil and political rights, such as the right to life, the right



Richard Manning and Mary Robinson

to freedom of expression, freedom of the press, gender equality and freedom from discrimination, are also unmistakable. This is a central aspect of my work with the Ethical Globalization Initiative. Under the motto “Realising Rights”, we are deeply committed to exploring and promoting a human rights and gender sensitive approach to the fight against HIV/AIDS.

Let us complete our overview of the linkages among health, human rights and development, by looking at the relationship between human rights and development. Since the 1990s, the concepts of poverty and development have moved away from a narrow emphasis on income poverty (the \$1 or \$2 a day thresholds) towards a fuller concept of human well-being, human development and human security. Crucially, poverty is understood to mean not just low income but a deprivation of human capabilities, including through lack of access to health and education. As a reminder, it is estimated that 2.8 billion people live in poverty, including 1.2 billion in extreme poverty, a majority of them women and children.

Let me pose a question I was often asked during my five years as United Nations High Commissioner for Human Rights: what, in your view, is the worst human rights problem in the world today? After visiting over 80 countries as High Commissioner, I felt I could answer with a one-word response: poverty.

It was not the answer journalists expected. It may not be what all of you immediately think of. But the reality is that poverty results in denial of the full range of rights for billions of people today, both economic and social rights but, equally, civil and political rights.

We all recognise today that attacking the roots of poverty is the only way to achieve *sustainable* progress in the state of health and human rights around the world. That requires a range of actions, from better nutrition education for mothers to mass vaccination campaigns or access to basic antibiotics. These are relatively inexpensive interventions that can have measurable impacts on the health of people around the world.

Yet we know as well that today’s global health picture is characterised by widening

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inequalities. Those of us fortunate enough to have been born in rich countries can hope to live into our seventies or eighties. By contrast, the life expectancy of a child born today in Sub-Saharan Africa is age 46. This is largely a result of the HIV/AIDS epidemic, which is decimating the African continent. The pandemic killed approximately 2.3 million Africans in 2003, most of them in the prime of their lives. 26.6 million men, women and children in the region have the virus. Over the next decade, AIDS could claim the lives of up to one-quarter of the adult population. To add to the burden of AIDs, two “old” diseases – malaria and tuberculosis – are making a dramatic resurgence in poor countries.

Sadly, this somber picture is by no means limited to AIDS, malaria or TB. In 2002, 10.5 million children under five years died worldwide. 98% lived in developing countries, and the vast majority of these deaths were from common diseases such as diarrhea and pneumonia. Maternal mortality continues to claim the lives of more than half a million women a year. The fact is that most of these deaths are avoidable. The present situation is an affront to internationally agreed development and human rights commitments.

The governments of OECD countries have both the means and the collective responsibility to work with and encourage developing countries to do more to fight extreme poverty.

I should point out that “right to health” obligations are found in numerous treaties that bind most OECD countries. What is often not discussed, however, is that the right to health gives rise not only to obligations of governments towards their own people, but also, crucially, to international obligations on the part of developed countries.

The Millennium Development Goals or MDGs are a set of specific targets and commitments adopted in the UN Millennium Declaration in 2000. These eight Goals, which were adopted



Mary Robinson

with great fanfare by the largest gathering of Heads of State ever assembled, include halving the number of those in extreme poverty and hunger by 2015, reducing child mortality, improving maternal health, combating HIV/AIDS, malaria and other diseases, ensuring environmental sustainability and, last but not least, developing a global partnership for development.

As we all know, globally, the world is on track to achieve Goal 1, thanks to a massive reduction in income poverty in China and India. But unfortunately, at the current rate, the WHO and the World Bank estimate that many developing countries are simply not on track to achieve their health-related MDG objectives.

What is needed to turn the tide?

First and foremost, development experts agree that there is a need for a massive increase in official development assistance (ODA), starting with a serious commitment to funding the Global Fund for AIDS, malaria and TB. This is where human rights play a critical role. Increasing levels of ODA without attention to the values of equality, non-discrimination, empowerment and participation, will not benefit the poor, and will only lead to short-term, unsustainable results. In particular, more attention has to be paid to vulnerable populations, minorities, the rural poor, women especially.

Health has become a new international priority. With our resources, we are in a position to achieve our common dream of human dignity and health for all. What is needed now from OECD governments is political will. ■

Obesity and Health

An Impending Epidemic

- **MODERATOR: SABINE SYFUSS-ARNAUD**, SPECIAL CORRESPONDENT, L'EXPANSION, FRANCE
- **PIERRE LEFÈBVRE**, PRESIDENT, INTERNATIONAL DIABETES FEDERATION
- **JOHN MARTIN**, DIRECTOR OF EMPLOYMENT, LABOUR AND SOCIAL AFFAIRS, OECD
- **MICHAEL O'GRADY**, ASSISTANT SECRETARY FOR PLANNING AND EVALUATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES, US
- **DANNY L. STRICKLAND**, CHIEF INNOVATION OFFICER, COCA-COLA
- **JANET VOÛTE**, CEO, WORLD HEART FEDERATION



“Obesity was not even on the international agenda 10 years ago”, noted **Lord Alan Watson of Richmond** in the opening session of the Forum, but has since bubbled to “boiling point” as a global issue. Worldwide, the number of obese and overweight people total about 1 billion, noted **Janet Voûte**, quoting WHO data. The US is



Danny L. Strickland

unfortunately “leading the way” globally. **Michael O’Grady** said the percentage of obese and overweight people in his country is at an all-time high – about 34% of the adult population. And childhood obesity was on the rise too. About 10% of young people between 5 and 17 are overweight, **Janet Voûte** noted.

No country is immune. “Even the French paradox is finished”, added **Sabine Syfuss-Arnaud**. The problem has spread to developing countries too, such as China, said **Pierre Lefèbvre**, as developed country lifestyles, including sedentary behaviour, have taken hold. The trouble is, the panel agreed, the numbers may actually understate the problem. In Europe and many other OECD countries, said **John Martin**, the data are based on self-reported measurements – not actual medical observations. People may naturally under-report their personal weight, he suggested.

The consequences of obesity loom large in human suffering and death, but also as a burgeoning economic burden. The toll in human lives is staggering.

In the US, diseases linked to obesity kill 400 000 people a year and represents 17% of all deaths from preventable causes. Obesity is well-known as being a risk factor for heart disease. “Of even greater concern” said **Janet Voûte**, “is the prevalence among adolescents of metabolic syndrome”, a cluster of cardiovascular risk factors including hypertension and mildly elevated glucose levels – a kind of pre-diabetes. Indeed, the medical community no longer talks about adult-onset diabetes, but instead Type II diabetes, said **Pierre Lefèbvre**, as anyone who overeats is prone to the disease.



Pierre Lefèbvre



Janet Voûte

The economic cost is high too, and is trending higher. In the US, these costs were estimated at \$75 billion a year or 5% of total health spending, according to data cited by John Martin. In countries like Australia, Canada and New Zealand these costs are estimated to be 2-3% of GDP. “One worrying feature is the time lag between the onset of obesity and related health problems, suggesting higher health-care costs in the future”, he said.

Michael O’Grady noted the trend in “supersizing” foods and beverages, but doubted this was the only cause of the problem in the US, since obesity appeared to vary with gender, age, socio-economic status and race. A new study shows that the main driver of weight gains among American adults is an increase in calories from eating more snacks



Pierre Lefebvre, Danny L. Strickland and Janet Voûte

per day, said John Martin, rather than just a decline in physical activity.

What to do? The real crux, according to Janet Voûte, was one of improving consumer consciousness. Janet Voûte said a scientific consensus about dieting does not yet exist, yet effective programmes were badly needed. She admitted that “no one here knows the answer, but the good news is that we all are here to try to figure it out”. Michael O’Grady stressed the idea of personal responsibility, and on the use of “carrots rather than sticks”.

Coca-Cola’s **Danny L. Strickland** emphasised that the growing obesity epidemic was a complex and multifaceted

problem. “Blaming specific products and companies is misplaced. We are all part of the problem and we all need to be part of the solution”. Coca-Cola is responding to and anticipating the health challenges posed by the obesity epidemic in two ways: by promoting physical activity through communication and publicity campaigns; and by significantly widening the range of their products and offering their customers good healthy choices. The company is investing in C2, a drink it is launching that tastes like its classic cola but has half the calories, carbohydrates and sugar. “There is however a limit in what you can make people do. Healthy products have to taste good”, he argued. ■

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East Asia in the 21st Century

- **MODERATOR: NICOLAS BEYTOUT**, EDITORIAL DIRECTOR, *LES ÉCHOS*, FRANCE
- **KIM DAE-JUNG**, FORMER PRESIDENT OF KOREA AND NOBEL PEACE PRIZE WINNER

Set out below is a condensed version of Kim Dae-jung's speech

The 21st century has distinctive characteristics. Compared to the 20th century, there are four main characteristics: the shift from an industrial society to a knowledge-based society; the shift from an age of the territorial state to an age of globalisation; the prevalence of terrorism; and the emergence of Asia as an economic power. Today, I would like to focus on the East Asian economy and peace on the Korean Peninsula which is the key to peace in East Asia.

China has achieved an annual growth rate of 9% for the past 20 years, developing into a large-scale world market despite the insolvency issues in its financial and corporate sectors. Japan is the second largest economy in the world, and is gradually coming out of its ten-year long economic recession by pursuing reform and increasing its exports to China. South Korea has



Kim Dae-jung and Donald J. Johnston



Kim Dae-jung, Donald J. Johnston and Nicolas Beytout

risen from the ashes of the Korean War and overcome the financial crisis of 1997 to become the world's 12th largest economy. South Korea serves as a model for developing countries.

The economies of the three countries are swiftly adapting and developing in the age of knowledge-based economies of the 21st century. Some experts even predict that the economic bloc of the Northeast Asian countries, especially China, will become the epicenter of the world economy in the 21st century.

The world is currently seeing a remarkable increase in wealth, thanks to rapid advancements in high-technology. While advanced countries are benefiting from most of the wealth, the poor countries are being left out. What is important is that developing countries should enjoy the benefits of globalisation.

Looking at terrorism sweeping the world into fear and confusion today, it seems that in most cases its root cause is the grief and despair of poverty. The OECD must further strengthen its leading role

in eliminating poverty, not just for the sake of human rights and democracy, but for world peace and the development of a stable global economy.

Despite its differences, East Asia is living in peace and co-operation. But we all know that the North Korean nuclear issue is a huge obstacle standing in the way of peace. The Korean people have lived for sixty years under a division for which they are not directly responsible.

I have been adamantly opposed to North Korea's nuclear weapons programme ever since I became President. If there is the will to resolve the North Korean nuclear issue, it is not a difficult problem to solve. Though the six-party talks are important, the issue cannot be resolved without direct dialogue between the United States and North Korea. The solution to this issue is for North Korea to completely dismantle its nuclear weapons, and the United States to provide security guarantees to North Korea and help North Korea become a member of the international community.

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Because there is a lack of trust between the two countries, they must both act simultaneously or in parallel. And then, the six-party talks and the United Nations should support this decision.

At the summit talks with Chairman Kim Jong-il on 15 June 2000, I strongly advised him to improve relations with the United States, and to do that North Korea must, more than anything else, give up its weapons of mass destruction, including



Kim Dae-jung

its nuclear weapons programme. After I urged the two countries to meet, the United States and North Korea resumed dialogue through high-level talks. And there was significant progress. However, the change of government in the United States and the surfacing of the North Korean nuclear issue have aggravated the situation and led to the current stalemate.

However, I am hopeful. When I met Chairman Kim, I clearly noticed his aspiration to improve relations with the United States. I believe that North Korea is prepared to give up its nuclear weapons programme. President Bush has pledged repeatedly that the United States will resolve this issue peacefully. He also gave me his word.

For more than thirty years, I have pursued the Sunshine Policy which emphasises the three-stage approach of peaceful coexistence, peaceful exchange and peaceful reunification. South Korea and North Korea should eliminate the icy breeze of the Cold War and let in the warm sun rays of reconciliation. The two Koreas can coexist peacefully and, when both feel reassured, then reunification can be pursued. The countries around the world have supported my proposal, as have the United Nations.

Leaders of the OECD member countries, I ask for your whole-hearted support for peace on the Korean Peninsula where Korean people have been living for more than half a century under the threat of war.

As can be seen in East Asia, the 21st century is undergoing a remarkable economic development that was unimaginable in the past. If the benefits of such economic development could be shared with the developing countries, then we would have a more peaceful and prosperous world where terrorism will lose ground.

In realising this, the OECD, which has spurred economic growth, should take the initiative. The world has high expectations



Dominique Perreau

of the OECD's contribution to the future of the 21st century. I would like to extend my best wishes to the OECD for its commitments and greater achievements in the future. ■



Doo-yun Hwang, Donald J. Johnston and Kim Dae-jung

Financial Education

Understanding Financial Risks

- **MODERATOR: LORENZO BINI SMAGHI**, DIRECTOR FOR INTERNATIONAL FINANCIAL RELATIONS, MINISTRY FOR ECONOMY AND FINANCE, ITALY
- **DAE WHAN CHANG**, CHAIRMAN AND PUBLISHER, MAEIL BUSINESS NEWSPAPER AND TV, KOREA
- **SIR DAVID CLEMENTI**, CHAIRMAN, PRUDENTIAL, UK
- **BRONWYN CURTIS**, MANAGING EDITOR, BLOOMBERG TELEVISION, UK
- **KENNETH V. GEORGETTI**, PRESIDENT, CANADIAN LABOUR CONGRESS

Should ordinary citizens be given instruction in finance and investment as they would other basics, like history or mathematics? Financial education, said **Lorenzo Bini Smaghi**, has always been important for consumers who are looking to manage their income, as well as learning to invest and avoid becoming victims of fraud. But the importance of financial education has increased in recent years because of the diversity and



Sir David Clementi



complexity of financial products. In addition, there are a larger number of consumers involved in the financial markets because of rising incomes and ageing, with more people thinking about their pensions. Moreover, the risks of acting on blind faith in making financial decisions were underlined by the recent spate of stock market scandals and pension fund mismanagement.

Sir David Clementi explained how the ageing populations across OECD countries must be more involved in managing their retirements. In particular, the move from defined-benefit pension schemes towards defined-contribution schemes has shifted the risks associated with retirement more squarely onto the shoulders of employees. His company, Prudential, is actively involved in helping individuals become more financially literate, because a well-educated consumer is more apt to save and invest. He also thought that financial education should be on the government policy agenda because declining consumer confidence from recent financial scandals has affected the markets.

There is a distinct difference between financial information, financial education and financial advice, pointed out **Bronwyn Curtis**. There is no shortage of information available about financial institutions or their investment products. If anything, the time busy people have to read the information available is very limited. Nor do most people understand the importance of financial information or its content. Surveys of financial literacy indicate that many consumers do not have adequate financial background or understanding.

Bronwyn Curtis suggested that financial education should be part of the mainstream educational system for our children. Education for adults would have to be delivered through other methods such as television. Currently, there are many consumer finance shows broadcast on television and radio, but there is little in the way of financial education.

Dae Whan Chang agreed that children could benefit from financial education at an early age. In Korea, household loans



Dae Whan Chang

and credit card use have increased dramatically as financial markets become more accessible to consumers. However, financial delinquency and bankruptcies have shown that with the rise in financial freedom comes exposure to risks. A participant from the floor asked whether

new market access should not be restricted to those who were properly educated. Such regulation was not the answer, the panellists replied. The promotion of financial education would be more beneficial, using different channels such as schools, consumer groups, financial institutions and the media, to raise awareness of the risks associated with the products being sold.

However, as **Kenneth V. Georgetti** warned, it would not be reasonable to expect financial institutions themselves to deliver unbiased financial education. In all likelihood, the “education” delivered by financial institutions would be slanted by aggressive marketers. Would this be in the consumers’ best financial interests? He questioned the media’s ability to deliver reliable financial lessons because of their reliance on advertisers. Non-profit organisations would be more reliable providers because they presumably do not have a hidden agenda.

Lorenzo Bini Smaghi still felt that financial education was fundamental to the health



Lorenzo Bini Smaghi

of OECD economies and society in general. He concluded by echoing other panellists in support of an OECD initiative to launch a financial education project that would distil lessons on best practices from its member countries. ■

REGISTRATION AND RECEPTION



Ageing and Health

The Value and Costs of Ageing

- **MODERATOR: PHILIPPE MANIÈRE**, DIRECTOR GENERAL, INSTITUT MONTAIGNE, FRANCE
- **FRANÇOISE FORETTE**, CO-CHAIR, ALLIANCE FOR HEALTH AND THE FUTURE, AND PRESIDENT, INTERNATIONAL LONGEVITY CENTRE, FRANCE
- **JULIO FRENK**, MINISTER OF HEALTH, MEXICO
- **HENRY MCKINNELL**, CHAIRMAN AND CEO, PFIZER INC.
- **KAREN POUTASI**, DIRECTOR-GENERAL OF HEALTH AND CHIEF EXECUTIVE, MINISTRY OF HEALTH, NEW ZEALAND

We are getting older and so our healthcare costs are rising. Typically, healthcare for an 80-year-old is double the cost for a 20-year-old, according to **Françoise Forette**. This and current demographic trends make the question of health provision “a very urgent preoccupation for policymakers in all OECD countries”, **Philippe Manière** emphasised.



Henry McKinnell



An ageing population was a positive reflection of economic growth, the panel was quick to underline. “The increase in longevity is a privilege of development, not a catastrophe”, said Françoise Forette. “Indeed”, she added, “while we are all aware that wealth contributes to greater health and longevity, it is less commonly accepted that better health improves longevity and brings about greater wealth.” She also noted that even though the elderly absorb more health spending than the young, the ageing population has only accounted for a small increase in health costs.

Henry McKinnell went further in describing the economic benefits of spending on health. “If we could reduce the death rate from heart disease and cancer by 10% for those alive in the US today, then we could add \$10 trillion in economic value.” One participant from the floor asked what effect health spending on the elderly has on GDP per capita. Françoise Forette acknowledged that the economic benefits are only realised “when older people participate in the economy. It does not add up when two-thirds of the population over 55 does not work, as in France”.

While concurring with Françoise Forette that an ageing population is a reflection of successful economic and social policies, **Julio Frenk** pointed out that “every time there is a triumph in public health it sows the seeds of the next set of challenges”.

This was particularly true in countries such as Mexico where half of the population aged over 60 was without medical insurance.

Julio Frenk argued that developing economies face greater problems managing the demographic shift towards older populations than do developed countries. Developing countries will undergo massive change in a single generation. “What took place over 200 years in the UK is happening in 50 years in countries such as Mexico.”



Françoise Forette



Julio Frenk

All speakers highlighted the importance of preventive healthcare as a way to reduce costs and keep people active longer. Governments often fail to take simple

cost-effective measures such as making influenza vaccines widely available, said Julio Frenk. **Karen Poutasi** explained her government's approach of integrating the planning and delivering of health and disability support systems in an effort to keep people healthier, and so the elderly remain active and therefore out of nursing homes.

Henry McKinnell called on governments to encourage biomedical innovation to prevent illness in old age and therefore keep overall healthcare costs down. "The good news is that most of you in the audience will live into your eighties. The bad news is that 50% of 80-year-olds suffer from Alzheimer's." He noted that unless governments adopt policies that offer incentives for private firms to find new treatments to prevent the onset of Alzheimer's disease, those same governments will have to pay for the care

of its sufferers. Henry McKinnell cited the absence of a SARS vaccine as an example of the negative consequence of government policies that discourage innovation. A combination of legal liability and government price controls have deterred Pfizer – once one of the largest producers of human vaccines – from pursuing such research more aggressively.

The critical importance of prevention was a leitmotif throughout the panel. Philippe Manière suggested that prevention should be seen as an investment, but questioned its political feasibility as well as society's ability to inform people of its critical importance. Françoise Forette suggested that education was the key, and that greater prevention could be achieved by engaging mothers, doctors and health professionals to take prevention seriously from the earliest age. ■



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Sustainable Development: Moving from Words to Action

Moving Forward?

- **MODERATOR: GEIR HAARDE**, FINANCE MINISTER, ICELAND
- **YVES COUPIN**, SENIOR VICE PRESIDENT, SUSTAINABLE DEVELOPMENT AND CONTINUOUS IMPROVEMENT, AREVA
- **JOHANNE GÉLINAS**, COMMISSIONER OF THE ENVIRONMENT AND SUSTAINABLE DEVELOPMENT, CANADA
- **MICHAEL MEACHER**, MEMBER, HOUSE OF COMMONS AND FORMER MINISTER FOR THE ENVIRONMENT, UNITED KINGDOM
- **GIL RÉMILLARD**, CHAIRMAN AND FOUNDER, LA CONFÉRENCE DE MONTRÉAL, CANADA
- **TRINE LISE SUNDNES**, CONFEDERAL SECRETARY, NORWEGIAN CONFEDERATION OF TRADE UNIONS



“If you were in the OECD, what specific action would you take tomorrow to help advance the cause of sustainable development?” The question came from the floor of this discussion, where talks were upbeat, despite a general recognition that progress on the sustainable development agenda had been meager. Yet, there was also a wide recognition of how pressing

sustainable development had become. As **Geir Haarde** noted, “the very fact that a finance minister such as myself has been invited to moderate a discussion on sustainable development shows just how far-reaching an issue it has become.” A change in global perceptions is occurring.

The question is how to advance sustainable development, 12 years after the Earth Summit in Rio de Janeiro.

Michael Meacher wanted action to be stepped up: “On the international level, we must continue to send more signals to the market of both the necessity – and benefits – of sustainable development. In domestic markets, we must focus on the consumer and his perceptions; for example, by explaining the environmental impact of gas-guzzling automobiles.”

Michael Meacher saw the Johannesburg summit on sustainable development as a positive step, but wanted more direction on implementation. “What we see in the Johannesburg text is a multiplicity

of goals, but little regarding a plan of action.” He went on to say that too many conditions are being placed on rich countries’ financial contributions to sustainable development, and that for the agenda to become successful it has to go “mainstream”. That means involving developing countries and providing a channel for immediate redress in relation to sustainable development concerns.



Geir Haarde



Yves Coupin



Johanne Gélinas and Michael Meacher

Johanne Gélinas was not as upbeat: “If we take Rio as a guideline, the sustainable development agenda has been a bit of a failure.” Her office interacts with more than 75 countries to gauge the impact of business and policy, by sending reports to parliament and giving recommendations on issues such as water quality. “If we want to have better news 12 years from now, we have to get on the job”, she said.

She cited major obstacles, not least the fact that “governments sign enormous amounts of international legally binding agreements. What they should be doing is rationalising and prioritising the most important areas.” Johanne Gélinas finished with a word to governments: “we are keeping our eyes on you, and we will not let you fall asleep.”

Regulation alone is not enough to encourage sustainable development.

Yves Coupin said that businesses must make discourse and action coherent. They must consider two things: how their own experience can contribute towards finding solutions, and how to adopt best practices. According to Yves Coupin, AREVA's business is at the heart of sustainable development issues: nuclear energy helps satisfy growing energy needs without contributing to greenhouse gases. AREVA's successful strategy has also meant involving stakeholders in the decision-making process.

After Enron and similar scandals, public trust has declined, while calls for social responsibility have increased. According

to **Gil Rémillard**, the expectations are clear: “companies must contribute to public good or face the stock devaluation that follows analyst or media reports.” He says that the growing norm of corporate responsibility affects corporate behaviour, and that we are seeing but the beginning of such a trend. “Reebok has been recognised for promoting labour organisation in China, while in Canada, Adbusters is about to launch a new line of footwear with a \$250 000 advertising campaign on how Nike exploits its workers. In general, I think we are moving in the right direction.”

Trine Lise Sundnes presented some sobering figures to close the session. She told the audience how each year there are 2 million work-related deaths worldwide, 270 million work-related accidents, and 160 million work-related diseases. These problems could only be dealt with properly at an international level. Trine Lise Sundnes also suggested the use of a new tool in advancing sustainable development: “Social indicators should be given the same status as environmental and economic indicators, and be considered in the policy-making process.” ■



Gil Rémillard



Trine Lise Sundnes

Towards a more humane globalisation

- **MODERATOR: JEAN-MARC SYLVESTRE**, CHIEF EDITOR, PRESENTER, LCI, FRANCE
- **MICHEL BARNIER**, MINISTER FOR FOREIGN AFFAIRS, FRANCE

A condensed version of Michel Barnier's speech is set out below:

Thank you for giving me this opportunity to say a few words about the world as we see it today. I believe that the OECD Forum, and other such forums, make possible a collective reflection on world governance. This year's choice of theme is very appropriate. By placing emphasis on the notion of well-being, you are inviting us to take a new approach to globalisation, one that is more all-encompassing and humane.

As minister for foreign affairs, I spend much time managing crises, spiralling violence, bloodshed and torture. If we are to find the way towards a more humane globalisation and a better world, conflicts need first to be settled, and peace and stability have to be restored. We have to organise the world differently from the way it is today. What is needed is for people on all sides to behave according to their conscience and recover their senses. In terms of political governance, we have to get back to the only framework that counts in



Jean-Marc Sylvestre and Michel Barnier

settling these conflicts, namely that of international law and the United Nations.

Globalisation is nowadays a reality in that it unifies and unites the whole world. It brings numerous benefits and many new opportunities. It facilitates trade, it helps to disseminate knowledge, it creates new markets and stimulates growth, and it can enable emerging countries to catch up – China being the most striking example. At the same time,

globalisation accentuates certain imbalances and creates new ones. What economic globalisation calls for is solidarity and increased international co-operation between countries, as has been stressed by the President of the French Republic.

Public opinion in our countries is seriously concerned by various imbalances. In the debate over the European elections, public opinion is worried about globalisation. Perhaps we do not say or explain enough. I have always thought that silence feeds people's fears and fuels demagoguery, whether right-wing or left-wing.

It is clear that globalisation generates risks that have to be countered. The rapid mobility of capital requires strengthened international co-operation for preventing and regulating financial crises. Structural changes are almost as rapid as cyclical fluctuations. The present worrying increase in oil prices is attributable to a number of cyclical factors, but also to increased long-term demand on the part of the emerging countries, like China. While globalisation increases overall wealth, it tends to accentuate inequalities between continents – as Africa's economic backwardness shows – as well as within countries. Globalisation also goes hand-in-hand with more intensive and



Donald J. Johnston welcomes Michel Barnier

often imprudent use of natural resources which are neither free nor inexhaustible. The globalisation of our economy also has its darker side, such as the globalisation of criminal dealings, drugs networks, mafia activities, human trafficking and corruption. Lastly, globalisation calls in question the identities that people have established for themselves, prompting a tendency to withdraw into minority, nationalistic positions.

The overall benefits of globalisation will not outweigh the risks unless the imbalances are counterbalanced by new forms of solidarity. Thus, France has argued, and will continue to argue for globalisation to be regulated. Our common objective must be “equitable and balanced growth”.

I would like to outline a few ideas that might provide some guidance. First of all, it is vital to improve living conditions in the poorest regions of the world. The international community gave itself a road map when it adopted the Millennium Goals in 2000. At the present rate, it might be possible to achieve the first of these goals, halving the number of poor people by 2015, though we know full well that this would be mainly attributable to China and India. Achieving the other goals, however, might be very difficult, particularly where food, health, water management and education are concerned.

The second idea concerns abiding by the commitments entered into at Monterrey to increase official development assistance (ODA). These promises have to be kept. France has subscribed to the aim of achieving ODA of 0.7% of GNP. ODA ought to reach 0.5% by 2007, rising gradually to 0.7% by 2012. Continuing efforts must be made to ease the debt service burden and also to find innovative sources of financing. It is also surely legitimate that global public goods be financed by means of a universal levy or global tax. This would give concrete form to the notion of worldwide solidarity.

Lastly, the liberalisation of world trade needs to be based not just on the rules that guarantee equilibrium between developed countries, but also on arrangements that are favourable first and foremost to the developing countries. We have in particular



Hans-Stefan Kruse, Donald J. Johnston and Dominique Perreau

to meet the genuine concerns expressed by the least favoured countries, and above all those in Africa which, until recently, have benefited very little from trade liberalisation.

I also feel that it is crucially important to prevent the constant deterioration in the world environment. Preserving the planet's natural capital is a vital necessity. To leave future generations with the burden of errors, and lack of courage and foresight is not morally acceptable. This was the message that the President of the Republic conveyed in Johannesburg. France attaches the utmost importance to the measures being taken to combat climate change, which no doubt represents the most serious threat to mankind. We cannot wait until 2020 or 2030 for the uncertain introduction of new technologies to reduce greenhouse gas emissions. It is now that action is needed, which is why France is very keen to see the Kyoto Protocol come into force.

I would like to conclude with the following thoughts. If we are to establish the solidarity that is so vital, the international community must give itself institutions that have the necessary legitimacy and authority. France has made numerous proposals to strengthen the United Nations system, reform the international financial institutions and secure greater southern hemisphere country participation in decision-making bodies.

As an international institution, the OECD plays a very precious and to some extent irreplaceable role, whether by virtue of its analytical studies or statistical work, its appraisal of all the factors that determine long-term trends in our economies, and its unanimously recognised expertise in the areas of governance and development assistance. Amongst all these activities, there is one particular area where the OECD is contributing and will continue to contribute a great deal. This is the analysis of the many coexisting rules of all sorts which can sometimes result in incoherent policies. I am alluding to, for example, the conflict between free trade and social or environmental norms, between respect for intellectual property and emergency health situations.

Given all the opportunities and challenges generated by globalisation, responses can only be political, involving international co-operation. The challenge is considerable, being a matter of how our societies again become masters of their own destinies. It is central to our democracies and to their future. This is why France will continue to play its role in managing globalisation by tabling proposals and seeking solutions, putting them to its partners, first in the EU and then outside. We need bold solutions to decide on the shape of a new world order. ■

Corporate Governance: Improving Standards

Better Standards for Healthier Economies

- **MODERATOR: JOHN PLENDER**, SENIOR EDITORIAL WRITER, *FINANCIAL TIMES*
- **DANIEL BOUTON**, CEO, SOCIÉTÉ GÉNÉRALE
- **VÉRONIQUE INGRAM**, GENERAL MANAGER, FINANCIAL SYSTEM DIVISION, AUSTRALIAN TREASURY
- **DONALD J. JOHNSTON**, SECRETARY-GENERAL, OECD
- **GUNNAR LUND**, MINISTER FOR INTERNATIONAL ECONOMIC AFFAIRS AND FINANCIAL MARKETS, SWEDEN
- **JOHN J. SWEENEY**, PRESIDENT, AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANISATIONS
- **LUTGART VAN DEN BERGHE**, PROFESSOR OF CORPORATE GOVERNANCE AND EXECUTIVE DIRECTOR, VLERICK LEUVEN GENT MANAGEMENT SCHOOL AND BELGIAN DIRECTORS' INSTITUTE
- **TAKAAKI WAKASUGI**, PROFESSOR OF ECONOMICS, TOKYO UNIVERSITY

The revision of the OECD Principles of Corporate Governance was “the most extensive consultation process that I think the OECD has undergone”, said **Véronique Ingram**, launching this session.

When the OECD Principles were promulgated in 1999, she pointed out, the business environment was relatively benign and the Principles, as a catalogue of best practice in corporate governance in OECD countries, became an international benchmark, not least for non-OECD governments trying to improve their regulatory frameworks. However, after the ensuing corporate scandals and collapses, OECD ministers reviewed the Principles and discovered them to be sound on the whole, but in need of tightening up and clarification. Key changes incorporated in the revised Principles involved bolstering



Daniel Bouton

the role of investors, enhancing the operation of checks and balances in the system and dealing with conflicts of interest and lack of independence on the part of auditors and other gatekeepers.

“You do not govern a company with 36 directors”, remarked **Daniel Bouton**, who noted that boards are finally now shrinking in French companies. Self-regulation was working well in France, and he attributed this success to full adherence to the OECD Principles. The 40 listed French companies of CAC 40 have set up audit committees. The majority of boards have set up committees on compensation which are totally independent and have precisely defined powers of board and management. More companies have more independent, smaller boards, he noted.

Governments should not, insisted **Daniel Bouton**, be too ambitious about regulation. He drew the panel’s attention to the fact that the European Commission is preparing propositions on all of these subjects. He argued that the EC’s involvement “is a good opportunity to

progress collectively in Europe”, but argued for restraint. “We need recommendations and common principles, not detailed rules”, he said. He concluded that “it is difficult for an institution to resist bringing a lot of detailed rules”, but upon seeing the OECD’s results, “I think improving corporate governance by the adoption of common principles at the European Commission level would be very helpful and possible.”

Gunnar Lund said that he had spent most of his time in office dealing with corporate



John Plender



Donald J. Johnston

scandals. The current preoccupation with corporate governance results from such scandals and from the challenge of making globalisation work. Gunnar Lund believes that globalisation can produce enormous benefits, but that “proper discipline” is needed to harness such forces. Sweden needs a combination of self-regulation and



John J. Sweeney

legislation. If, he said, the corporate sector does not live up to this challenge, he is prepared to legislate to make sure they do.

John J. Sweeney stressed the role of capital owned by workers in promoting better corporate governance. He pointed out that “worker capital”, amounting to US\$7 trillion, was now the largest source of investment funds in the US and that workers now owned 26% of all traded companies there. Union-sponsored funds are active in initiatives to improve corporate governance, proposing new listing standards for the New York Stock Exchange and NASDAQ, and organising voting campaigns to replace bad directors. Unions had participated in revising the OECD Principles because they were the only international standard for good corporate governance. Unions want, he concluded, to make globalisation work for workers as well as for capital.

“Why do we need corporate governance standards?” asked **Lutgart Van den Berghe**, “because it has positive effects on the economy and the health of nations.” Good corporate governance is a means, not an end in itself. What matters is substance, not form. And transparency was not everything: research on listed companies in Belgium showed that companies with the best disclosure and transparency records had the worst behaviour in the board room. One way of improving matters was to have more outside directors, as well as appointing better managers. However, remuneration costs might rise, which would be a problem for some firms.

According to **Takaaki Wakasugi**, Japan is still at a preliminary stage in its thinking on corporate governance. In the 1990s, he recollected, there were many scandals and criminal acts in major corporations, leading to an interest in corporate governance. As recently as March 2004, the Tokyo Stock Exchange announced corporate governance principles similar



Gunnar Lund

to those of the OECD, but the main business federation in Japan objected to them. The government also promulgated a revised Commercial Code in April 2003, embodying a new committee system and the separation of board and management, but fewer than 100 of the 1 500 largest companies listed on the Tokyo Stock Exchange have adopted it. The attitude of ordinary people is an obstacle, he noted. “Although the Japanese are capitalists”, their thinking is “socialistic”, believing that shareholders’ profit should be sacrificed in the interests of employees.

Donald J. Johnston closed the session by noting that the role of the OECD was not to draft a “convention” on corporate governance, but to help its member governments develop best practices. He said that drafting the OECD Principles had been a “*tour de force*”, and the OECD will monitor the implementation of these principles in member countries. Non-members would also find them invaluable, especially for attracting foreign investment. ■

OECD Revised Corporate Governance Principles: Implications for Lawyers

- **MODERATOR: OLIVIER CHADUTEAU**, MANAGING PARTNER, DAY ONE
- **EMMANUEL DU BOULLAY**, HEAD AND CO-FOUNDER OF THE FRENCH INSTITUTE OF DIRECTORS
- **MAÎTRE YVES DE MAHENGE**, MEMBER OF THE PARIS BAR
- **RAINER GEIGER**, DEPUTY DIRECTOR, FINANCIAL AND ENTERPRISE AFFAIRS, OECD

Company lawyers have the potential to play an important role in ensuring good corporate governance. Yet before they can do so, they need to be clear about whose interests they represent: those of the CEO and the board of directors, those of the company shareholders, or those of wider stakeholders. This was the message from panellists, who looked at the role lawyers can play in promoting good corporate governance in France.

“We consider lawyers as actors in corporate governance”, said **Rainer Geiger**, adding that “lawyers are among the gatekeepers”. If lawyers are to be effective gatekeepers, however, then companies in some OECD countries will need to rethink how they structure their legal advice. Equally, lawyers need to be clear about their role within a company if they are to avoid becoming entangled in conflicts of interest.

“Lawyers can find themselves facing serious conflicts of interest. Today there is no ethical code that lays out how lawyers should behave”, argued **Yves de Mahenge**. What is needed, he believed, is a more transparent definition of a lawyer’s responsibilities. Certainly there is currently plenty of opportunity for lawyers to find themselves in such ethical quagmires. In the cases of a hostile take-over, or accusations of financial mismanagement, the interests of the company director may not always be those of the shareholders.



Olivier Chaduteau, Emmanuel du Boullay, Yves de Mahenge and Rainer Geiger

Olivier Chaduteau asked whether there should be a separation of legal advice between different interest groups within a company and, if so, how should it be financed. The panel agreed that shareholders and the board of directors should have the financial resources to hire separate and independent legal advice, which is currently not necessarily the case in France.

“The board of directors does not have its own resources and has no budget. It is complicated to mobilise resources in an autonomous way should you need legal advice when a problem arises”, said **Emmanuel du Boullay**. This contrasts with the Netherlands, he said, where the board of directors can be allocated a legal budget, providing them with greater autonomy to seek independent legal advice. “This is a great innovation”, he argued. **Rainer Geiger** agreed that allocating a budget for independent legal advice “would be a good addition”, to the OECD Principles on Corporate Governance.

Lawyers also need to work more closely with other disciplines within a company, in particular the accounting department, so that they can protect the company against illegal practices such as creative

accounting, the panellists contended. “There is very little co-operation between lawyers and others. In all the big scandals, such as Enron, etc., it is often a matter of fraud, but there is a lack of co-operation between different specialists”, said **Yves de Mahenge**. “There is a paradox. The fact that lawyers and auditors must not be associated does not mean that they cannot work together.” Indeed, he believes, different professions within a company should not be walled off from each other. “If there are important legal and accounting elements, then they need to talk to each other.”

Lawyers also need to lay out their role and responsibilities clearly from the outset. Perhaps surprisingly, lawyers in France tend to come to an oral, rather than a written, agreement on their responsibilities. “We have some very bad habits in our profession”, said **Yves de Mahenge** about France. “When a company names a lawyer, it really ought to put it in writing” to reduce ambiguity. “We may then find we need a lawyer for directors and for companies.” To avoid conflicts of interest, lawyers should not sit on the board of directors of a company to which it – or its partners in a legal firm – give legal advice, the panel concluded. ■



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Equity and Access to Health Care

Balancing Rights

- **MODERATOR: JULIO FRENK**, MINISTER OF HEALTH, MEXICO
- **JEAN-PIERRE GARNIER**, CEO, GLAXOSMITHKLINE
- **BARONESS SALLY GREENGROSS**, CO-CHAIR, ALLIANCE FOR HEALTH AND THE FUTURE
- **JOHN HUTTON**, MINISTER OF STATE FOR HEALTH, UK
- **CHRISTOPH THALHEIM**, SECRETARY-GENERAL, EUROPEAN MULTIPLE SCLEROSIS PLATFORM

This session characterised the OECD Forum by offering a wide-ranging debate with health ministers, a pharmaceutical company chief, a medical advocate and a health association representative in discussion with an audience of stakeholders, experts and health employees.

For **John Hutton**, the issues confronting national health authorities were complex. There was no doubt about the need for equity, but the issue was also about how this should be financed, and governments adopted varying approaches. The free market was unable to deliver on its own, which meant that governments had



Baroness Sally Greengross



Julio Frenk and Jean-Pierre Garnier

to intervene, which in turn imposed resource strains on the fiscal system and provision of health cover.

Jean-Pierre Garnier warned that the single-payer system based on public provision was broke and that a new, more sustainable model was needed. Cost containment pressures on pharmaceutical companies would have knock-on negative effects on new drug development. He also cited the stock market's reading of the situation, with pharmaceutical company market capitalisations having fallen sharply in the last few years.

The health sector had seen many positive developments which sometimes introduced new problems. For instance, ageing and greater longevity raised public expectations and led to higher healthcare costs. Medical research was in a way a victim of its own success. Innovation was caught in the middle. Many OECD countries were spending more on generics and less on innovations, said Jean-Pierre Garnier.

According to **Sally Greengross**, a very positive side to progress in healthcare was the spin-offs it has produced for child

and family healthcare, with better monitoring and medical histories being built up, for instance. But in the UK a new social problem had emerged in that, very often, healthy older people had worse access to health facilities and suitable medication, as clinical trials usually do not include those over 65. Furthermore, she pointed out, seniors were cut off from normal everyday services, like insurance or car hire, or student loans. It was great to be able to live longer, but people should be able to enjoy a healthy old age with full rights.

Christoph Thalheim was concerned that while access for all was clearly important, particular conditions should receive particular kinds of attention from policy action. Sufferers from multiple sclerosis were a perfect example of such a group. Some countries, like the UK, had done much to take this illness seriously, enhance the mobility of sufferers and help them deal with symptoms. Christoph Thalheim said there were 450 000 MS sufferers in the 25 EU countries, with the number rising to 600 000 in Europe as a whole.



Jean-Pierre Garnier

by the UK government, with its internal markets and other reforms to improve efficiency, cut waiting lists and so on. One participant raised a question about the emergence of two-tier health systems in OECD countries. John Hutton in particular agreed that this posed a risk in the UK, but explained that government policy was to encourage competition between providers of all types to improve quality, as well as bolstering access.

Mexico is a country that has worked hard on improving equity in health access. **Julio Frenk** summed up the session by identifying three main strands to the problem facing public policy makers:

- the technical dimension, which is essentially innovation and evidence-based medicine;
- the ethical dimension (values of equity, universality of access, integrity and fairness);



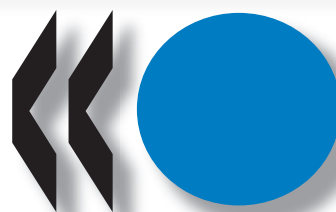
John Hutton

If problems faced by OECD governments in the health area were broadly similar, policy approaches varied for historical, social, and demographic reasons. There was particular interest from the floor in the policy approaches adopted

- the political dimension (implementation and accountability).

Action would have to bear in mind these strands, which are pillars to building equitable access to health systems. ■

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Cancer and the Environment

A Problem of Our Time?

- **MODERATOR: CHRIS BROOKS**, DIRECTOR OF PUBLIC AFFAIRS AND COMMUNICATIONS, OECD
- **SPECIAL GUEST: DOMINIQUE BELPOMME**, PROFESSOR, UNIVERSITY OF PARIS V AND HEAD OF THE ASSOCIATION FOR THERAPEUTIC RESEARCH AGAINST CANCER (ARTAC)

Dominique Belpomme presented the following position regarding cancer and the environment. In France, 150 000 people die of cancer each year (out of 280 000 diagnosed), a twofold increase in 50 years. Cancer is a very complicated illness. Despite new findings, it is very unlikely we will be able to eliminate cancer 20 years from now. With tobacco accounting for roughly 25% of cancer cases and lifestyle apparently coming in at 25-30% (including diet and hormonal treatments for women, for example), pollution is believed to account for more cases than many have believed until now.

The reason is simple: chemicals found in pollution are carcinogenic. The National Cancer Institute (in the US) conducted a study of air pollution in big US cities, which concluded that there was a higher incidence of lung cancer there. A recent study in France concluded that 10% of lung cancers can be attributed to air pollution, as well as chemicals invading our food, from pesticides and the like.

Dominique Belpomme stressed the growing incidence of cancer in children, which has risen in the US and Europe. Today's diseases are increasingly chemical-induced, and not just microbiological or viral, as witness the increased incidence of asthma in children, he said. New chemicals need to be better monitored. Programmes like REACH (Registration, Evaluation and Authorisation of Chemicals), which aims at applying some sort of regulation to chemicals, will help.

A common theme running through Dominique Belpomme's intervention was the discrepancy between what the scientific community claims and what politicians say. This has all been summed up in a new document called the Paris Appeal (Appel de Paris), an international charter to draw public attention to diseases from chemical pollution. The charter, which has been signed by leading academics and Nobel prize-winning researchers, focuses on three points: many illnesses are linked to the environment; children's health is at risk; in fact, the human species as a whole is in danger.

Several questions came from the floor. Oddly, according to one speaker, while there was high investment on research on the effects of tobacco, the same effort was not going into chemicals and fertilizers that may be important sources of carcinogens. A good many substances were carcinogenic in large doses, even vitamins and aspirin, Dominique Belpomme said. How were ordinary citizens supposed to react, asked another, especially as there were so many common home products with warnings of possible dangers from cancerous substances? He replied that since it was difficult to test all products, the precautionary principle should apply.

Another participant pointed to that gap between the scientists and governments on the issue. The way to close it, according to Dominique Belpomme, is through public and NGO pressure. Such were the impending dangers that a new "Marshall Plan" is necessary. But while he stressed the need for political will to act, he emphasised the need to work with industry to forge change. ■

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Combating Cancer in the 21st Century

Putting a Face to the Number – a More Humanistic Approach to Cancer Research and Treatment

- **MODERATOR: CHRIS BROOKS**, DIRECTOR, PUBLIC AFFAIRS AND COMMUNICATIONS, OECD
- **DAVID KHAYAT**, PRESIDENT, NATIONAL CANCER INSTITUTE, FRANCE

“Each cancer patient dies twice”, said **David Khayat**. Once from the prognosis itself, and once from the loss of the life they knew before, including their jobs, even their families. In France, he said, there is still a stigma attached to the word cancer. Quoting President Chirac, he said, “We have to change the image of this disease, otherwise, how can you fight an enemy if you cannot even speak its name.”

President Chirac, when elected to his second term, decided to make cancer the main project of his presidency. The National Cancer Institute’s role is to mobilise this effort. “France has the worst cancer figures in Europe”, he said, the highest mortality rate, with 280 deaths per 1 000 persons stricken.

Of the 280 000 new cases of cancer per year, 150 000 result in death. Between 1980 and 2000, the cancer rate doubled. “Every two minutes a new diagnosis is made. Every 3.5 seconds, someone dies”, David Khayat said. Breast cancer kills one woman every hour every



Chris Brooks

day of the year. Malignant melanoma doubles every 10 years in France, with 1 case for every 75 inhabitants. And yet, he said, France is the best place to be for treatment. “Basically, if you are not sick, do not move here, but if you are, it is where you want to be”, he added.

“We are not very good at prevention”, especially where smoking is concerned. Lung cancer mostly strikes men, though France also has the highest rate in Europe of children smoking. “If we do not act for humane reasons, let us act for economic ones”, he challenged. France also lacks adequate breast cancer screening capabilities, with insufficient access to imagery, PET scanning. For these reasons, the National Cancer Institute has devoted 13% of its budget to prevention. The first campaign to be launched will be directed at malignant melanoma.

Another important facet of France’s cancer fight will be increased participation by the patient in his or her treatment. “We need to enrich and strengthen the patients’ resolve”, David Khayat said. A recent study revealed an important discrepancy between doctors and patients. When asked what their biggest concerns were, 70% of doctors reported pain, whereas 70% of patients reported fatigue. “We are not getting things right”, said David Khayat.

Doctors need to know what patients want. Before, the priority was to cure them, remove the larynx, remove a breast without asking, he said. We now try to be more functional, using chemotherapy to try to save the woman’s breast, radioactive therapy to save the larynx. “We are realising there is a patient, not just a disease.” There needs to be a “humanization of our



David Khayat

methods”. “We also need to internationalise research”, to share competence... create a “thesaurus” of good practice, an enormous and costly undertaking, but an absolute priority. By co-ordinating efforts internationally, discoveries relating to new medicines can be more easily found.

Chris Brooks asked about the effect of the environment on cancer. David Khayat noted the need for objectivity. “This is not so much a scientific discussion as a political one... (and) as a scientist I would not get involved in this policy debate.” He noted that increased incidence in cancer found in children is not necessarily the result of increased cancer, but of improved prognosis. The tools of detection today are better than 20 or 30 years ago. “We should not create a panic in France”, he cautioned.

“We can plan research, but we cannot plan discoveries”, David Khayat said. “Who knew that a derivative of platinum would be found to treat testicular cancer? We stumbled upon it.” Research thus remains a keystone to discovery, and it is likely to be the small biotechnology companies which will make such discoveries. But they will probably not be able to take it to the clinical level; they will need to hand things over to the big pharmaceutical companies. In previous years, it was believed that cancer would be cured by 2000. “There will always be cancer”, he concluded, “but someday people will not die of it”. ■

In Defence of Globalisation

Nurturing Globalisation

- **MODERATOR: JOHN ROSSANT**, EUROPEAN EDITOR, *BUSINESSWEEK*
- **JAGDISH BHAGWATI**, PROFESSOR OF ECONOMICS, COLUMBIA UNIVERSITY, US

“**W**ith all the trade ministers here in Paris for meetings at the OECD, I have been tempted to invite them all into a room with **Jagdish Bhagwati**, lock the door, and try to get Doha moving again.” **John Rossant’s** compliment, though delivered with a smile, was entirely merited. As author of more than 40 volumes in economics and advisor to the WTO, Jagdish Bhagwati’s views on how trade can help development might just give the Doha Development Agenda the momentum it needed a few hours before the OECD Forum’s trade panel and the OECD Ministerial Council, which was to pronounce on the issue.

Jagdish Bhagwati said that when Cancún broke down in September 2003, his first reaction was to say, “don’t cry for Cancún”. He said that Cancún was in fact a step forward because at last everyone could see the United States starting to make the right concessions from the outset. The EU, he said, was the one doing the foot-dragging during negotiations – even to the point where several US concessions to southern countries had to be scaled back



John Rossant

to accommodate the Europeans. Jagdish Bhagwati was now optimistic about imminent trade talks. “Both the Europeans and the Americans have taken the right steps recently, and some of the southern countries, notably Brazil and South Africa, have been making the right noises.” The South, he said, has to understand that if it wants agricultural subsidies removed in the rich countries, it has to be done multilaterally.

In defence of globalisation in general, Jagdish Bhagwati spoke of the positive trends it has brought. Some examples: at a global level, schooling for children had increased while child labour was on a decline. He described the anti-globalisation movement as people belonging to one of two camps – the “stake-claimers” and the stakeholders. “The stake-claimers are like Dracula: they wield a big stake with which they hope to pierce the heart of globalisation and kill it.” This group proposes little in terms of solutions, he said, adding that it is very difficult to dialogue with them, though they are quite useful for flagging problems.

“I view this camp as losing ground, as witnessed by the recent calm at international meetings”, he said, compared with riots in previous years. “On the other hand, the stakeholders who still oppose globalisation have become more realistic; they are willing to sit down, discuss the issues and try to change the system that way.” The main concern of anti-globalisation activists, he said, revolved around its social implications – an argument he considers valid.

Both Gerhard Schröder and Bill Clinton have said that “globalisation needs a human face”, and Jagdish Bhagwati agreed. But he felt that governments must help accelerate and improve globalisation.



Jagdish Bhagwati

In what direction is globalisation going? And is there a consensus about the model of society it breeds? In some large European countries, the decline of the welfare state has been blamed on a form of Americanisation. Jagdish Bhagwati warned against policy changes that may be too radical. “European countries that are reforming the welfare state should be careful not to go too far, because a thinner social safety net means more reliance on the family, which in turn may cause family disintegration – a problem to any society.”

Developments in mass communications have had mostly good effects on globalisation, Jagdish Bhagwati said. “In the past, the farther one was away from events, the less important they were to him. But today, because of media attention, far-off events are becoming more and more important to people – sometimes even more important than local events.”

The threat of international terrorism was raised. Did it constitute a threat to globalisation? To this, Jagdish Bhagwati offered the following insight: “There appears to be fundamentalism everywhere, even in the OECD. It is important not to confuse a reaction against modernism with a reaction against the West.” He felt confident that movements to reduce feudalism in the world were working well. ■

World Economy in 2004

Global Village or House of Cards?

- **MODERATOR: SERGE MARTI**, CHIEF EDITOR, *LE MONDE ÉCONOMIE*, FRANCE
- **JEAN-PHILIPPE COTIS**, CHIEF ECONOMIST, OECD
- **PADMA DESAI**, DIRECTOR, CENTER FOR TRANSITIONAL ECONOMIES, COLUMBIA UNIVERSITY, US
- **HAMISH MCRAE**, ASSOCIATE EDITOR, *THE INDEPENDENT*, UK
- **IVAN MIKLOS**, DEPUTY PRIME MINISTER AND MINISTER OF FINANCE, SLOVAK REPUBLIC
- **CLYDE V. PRESTOWITZ**, PRESIDENT, ECONOMIC STRATEGY INSTITUTE, US
- **LI SHANTONG**, DIRECTOR, DEPARTMENT OF DEVELOPMENT STRATEGY AND REGIONAL ECONOMY, DEVELOPMENT RESEARCH CENTER, CHINA



The much-awaited session on the world economy in 2004 offered varying views, ranging from a bleak perception of the global economic outlook to firm optimism for 2004. There was a mixed picture for 2005.

With the latest *OECD Economic Outlook* just released, moderator **Serge Marti** first gave

the floor to **Jean-Philippe Cotis**, who rated world prospects as bright, though particularly strong in the United States, Asia, several anglophone countries and Scandinavia. The performances of China especially and Japan were leading the upswing, with the US economy now creating jobs and “the global tide about to lift the European boat”. But he regretted

that mainland Europe would not contribute much to the upswing.

Indeed, this raised a key risk of polarised growth in the world, with the divergence between the US and Europe aggravating balance of payment problems. More reform effort to unlock activity in France, Germany and Italy was needed. Further major uncertainty surrounded oil price prospects, which at the time of the Forum had already risen towards record levels. But Jean-Philippe Cotis was not convinced that oil prices were set on a relentless upward course. Still, while growth should continue in 2005, there was room for caution.

“I see the future as very black”, **Clyde Prestowitz** began. “All this happy talk reminds me of the band playing on the Titanic as the ship headed towards the iceberg.” He was appalled at the unstoppable rise of the US deficit which recently hit \$46 billion in one month. The US was “having a party” financed by the rest of the world, he said. He was sceptical about sustainability, warning about the dangers of a sharp adjustment.



Serge Marti and Jean-Philippe Cotis

Conversation with Christine Clerc, based on her book *Le bonheur d'être français*

Vive la Différence!

- **MODERATOR: BARRY JAMES,** FREELANCE JOURNALIST, FRANCE
- **CHRISTINE CLERC,** SPECIAL CORRESPONDENT, *LE FIGARO*

France has sometimes been described as an “unreformable country in need of reform”. Labour market inefficiencies and bottlenecks remain unsolved and have dampened French growth potential in recent years. But for acclaimed French journalist, **Christine Clerc**, while her country certainly has sticky problems, we must also focus on the positives. This is the theme of her new book, *Le bonheur d'être français*,* which Christine Clerc wrote “as a response to those who have been banging on about France’s decline over the last few years.”

French people have much to feel encouraged about, as she outlined both in an article for the *OECD Observer* (entitled “French Resistance”, published in June 2004), and in this special lunchtime session at the OECD Forum.

Christine Clerc pointed out that France was not the only country in Europe where there was great potential: “Someone could well write about ‘the joy of being Spanish’ for instance.” But she wanted to send a message to her own compatriots who had felt that globalisation had begun to spin out of control, that ordinary people were becoming victims of its excesses and no longer able to benefit from it.



Barry James and Christine Clerc

France has serious problems, like a burgeoning public debt and deficit, as well as the scourge of high unemployment, she acknowledged. But in the global scheme of things, France is but a small country, and yet it has remarkable assets and is quite capable of overcoming difficult crises. She questioned so-called experts, who she saw as being trapped in an ideology. Did they take everything into account? In France, the high quality of life, overall skills and abilities, the excellent infrastructure, of transport, and health care: all these, others envied, but experts overlooked.

She rejected popular claims that somehow France was opposed to globalisation. As a “crossroads” on mainland Europe through which trade and people have to pass, her country has felt the force of internationalisation for centuries. France had benefited from these forces and had shaped them too. Still, the French had a perfect right to defend their culture, and to become involved in articulating what they felt globalisation should become. Were they doing enough?

Greater confidence was needed and submerging everyone in superstructures was perhaps not the way forward. Countries could

* The first volume of Christine Clerc’s *Le bonheur d'être français*, published in 1982, won the Prix Albert Londres. Christine Clerc, an acclaimed French journalist, is currently a columnist for the daily newspaper, *Le Figaro*, and is author of over a dozen other books. The second volume of *Le bonheur d'être français* was published by Plon in March 2004.

May 13, 2004

draw lessons from Europe's regionalism as a way of strengthening identities within the whole, rather as Brittany, the Calais region, and northern Italy have done. Integration was great, but freedom and cultural expression were burning bright again in the once-subsumed regions, which were a "good scale" to work with, she believed.

Christine Clerc went further than one member of the audience who had asked the rather oft-heard question of whether the French had grown too dependent on the state to defend their identity, despite their strong individualism. "The French have always had a strong tradition of monarchy and never really left it behind (after the revolution)", she said. Downing Street was a modest affair compared with the pomp of the Élysée Palace, for instance, but at the same time, she believed that the French were "egalitarian and left-leaning" in their ideals. This was a hard contradiction to manage. Having said that, the state was increasingly at odds with itself in France, and major shifts were imminent. "Institutions always need to change" she said, and she had a feeling that France's central institutions had a air of "the end" about them, just as the regions were renewing themselves and asserting French culture differently.

Asked about France's "love-hate" relationship with the United States, Christine Clerc described this as "a family affair". Like France, the US stood for liberty and freedom. But as between parents and children, France (the old country) was not so much jealous as anxious while watching the US (the new country) out there alone on the world stage, even getting into trouble. Both countries had so much in common, but their differences were frustrating. "Family arguments are the cruellest of all", she sighed.

On Iraq though, she believed that if the French were in the same situation, they would manage it differently: "We have had such a long experience of dealing with the Arab world", she said. Indeed, Islam was now even admired as a religion by most French people, "at least intellectually, even more than Catholicism", which was a major change from the past, Christine argued.

In short, she believed that the French may be suffering from a crisis of confidence, but there was enough evidence to suggest that this would change. ■

MEET SOME VIPS



**Mary Robinson
and
Donald J. Johnston**

Martin Redrado



**Donald J. Johnston
and
Luis Ernesto Derbez**



**Lord Alan Watson,
Donald J. Johnston
and
Luis Ernesto Derbez**



Partnerships in Research: Government, Business and Civil Society

Relationships that Work

- **MODERATOR: GÉRARD KOUCHNER**, PRESIDENT, EDUCATION AND COMMUNICATIONS DEPARTMENT, MEDIMEDIA, FRANCE
- **ARNOUD DE MEYER**, DEPUTY DEAN, INSEAD, FRANCE
- **ALAIN DUTHEIL**, CORPORATE VICE PRESIDENT, STRATEGIC PLANNING, ST MICROELECTRONICS
- **JEAN-MICHEL GHIDAGLIA**, SCIENTIFIC DIRECTOR, *LA RECHERCHE* MAGAZINE, FRANCE
- **HEATHER MUNROE-BLUM**, PRINCIPAL AND VICE CHANCELLOR, MCGILL UNIVERSITY, CANADA
- **JOAQUIM PINA MOURA**, MP, ASSEMBLY OF PORTUGAL, AND FORMER FINANCE MINISTER



California's Silicon Valley is an obvious example of how academic research and private industry can work in tandem to spark technological developments that in turn spur economic growth. "Increasingly... universities and healthy cities play an important role in producing R&D systems", said **Heather Munroe-Blum**. "A couple of cities and innovative clusters interacting with universities account for an enormous amount of productivity", she said.



Gérard Kouchner

For industry, the pay-offs are clear. "Partnerships are an absolute necessity for our industry", said **Alain Dutheil**. Micro-processor manufacturers are under increasing pressure to produce ever more sophisticated technology that have ever shorter life-spans. Working with universities helps companies like ST Microelectronics keep their R&D costs down and allows them to draw on a large pool of creativity. In return, said **Jean-Michel Ghidaglia**, academics have access to scientific equipment such as super-computers that only industrial giants can afford to invest in.

But collaboration between an institution focused on the advancement of learning and a company focused on generating profits has to be carefully managed, argued the panellists. "You have two worlds with very different value systems. Understanding and respect are necessary conditions to make it work", said **Arnaud De Meyer**. "Does the partnership with industry have a negative impact on a scientist's research

agenda?" he asked. Not if universities are careful, argued **Heather Monroë-Blum**, who believed that the very best universities are able to maintain academic integrity while working with industry.

Even if governments and research institutes sometimes have strained relationships, as **Gérard Kouchner** highlighted, there is currently a searing debate in France over how to fund research – there is



Heather Munroe-Blum



Arnoud De Meyer

governmental acceptance of the importance of research. "Innovation, research and development are essential if you want to sustain long-term growth", said **Joaquim Pina Moura**. At the same time, Portugal would like to see further investment in research by industry. Whereas the average level of spending on research is 2% of GDP in EU countries, in Portugal it is only 0.85%, he explained. "The bulk of resources in the EU comes from the private sector."

One participant from the floor expressed concern that greater investment in university research by industry would result in governments reducing the levels of funding

they provide to academic institutions. There is little data to support that point of view, replied Arnoud De Meyer; in fact, he believes that the opposite may be true. "Money flocks to success", he argued.

Nor is industrial funding of university research as high as some imagine, said Arnoud De Meyer. Even though US industry has increased its investment in university

research, it still represents only 7.7% of universities' overall research budgets, up from 2.6% some 30 years ago. Governments have to think carefully about how to allocate funds, agreed the panellists. They should help build centres of excellence that will stimulate economic growth rather than pour money into mediocrity.

Well-structured and sustained public funding of tertiary education is a draw for industry, argued Heather Monroe-Blum, pointing to California, where long-term investment by government has given confidence to industry and created an eco-system that would be hard



Alain Dutheil

to re-create. "California is not replicable because of the level of sustained public investment. Its success is due to industry knowing that government is not going to pull out of funding universities when industry invests", said Heather Munroe-Blum.

Another question from the floor focused on whether developing countries should invest in basic research. Much depends on the country. "Primary research is the most expensive and the pay-offs are long term", warned Jean-Michel Ghidaglia. Yet countries that combine centers of primary research with low wages certainly prove attractive to industry. ST Microelectronics employs 1 000 software engineers in India and is building design centers in Tunisia and Morocco, said Alain Dutheil. However, although India's investment in primary research has helped stimulate economic growth "it would be illusory to say (all) developing countries can invest in basic research", argued Jean-Michel Ghidaglia. "They are not all at the same level." ■

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Trade, Jobs and Adjustment

Outsource This?

- **MODERATOR: GUY DE JONQUIÈRES**, WORLD TRADE EDITOR, *FINANCIAL TIMES*
- **HASSAN ABOUYOUB**, AMBASSADOR OF MOROCCO TO FRANCE AND FORMER MOROCCAN MINISTER OF TRADE
- **LIONEL FONTAGNÉ**, DIRECTOR, CENTRE FOR FUTURE STUDIES AND INTERNATIONAL INFORMATION (CEPII), FRANCE
- **BRUNO LAMBORGHINI**, CHAIRMAN, OLIVETTI TECNOST
- **CLYDE PRESTOWITZ**, PRESIDENT, ECONOMIC STRATEGY INSTITUTE, US
- **JOHN J. SWEENEY**, PRESIDENT, AMERICAN FEDERATION OF LABOUR AND CONGRESS OF INDUSTRIAL ORGANISATIONS



Guy de Jonquières and Hassan Abouyoub

The shift of low-skill jobs to developing countries is nothing new, despite the recent media buzz over outsourcing. But until recently, jobs leaving rich countries for overseas destinations were mostly limited to unskilled labour and manufacturing. The cultural shockwaves taking place in the US over the now-famous India-based call centres have made for a charged discourse as **Guy de Jonquières** pointed out.

And the short-term adjustment costs of outsourcing have become a central issue in this year's US presidential election.

Several factors point to an outsourcing phenomenon less threatening than commonly perceived. As **Lionel Fontagné** noted, information technology outsourcing has minimal effects on the more innovative areas of the sector – such as software development. And lower-skill service jobs that leave rich countries in search of lower-wage workers are in turn replaced by higher-skill jobs. “In the last three years, the US may have lost 70 000 programming jobs, but 115 000 software engineering jobs sprung up in the meantime”, he said. “Even when talking about

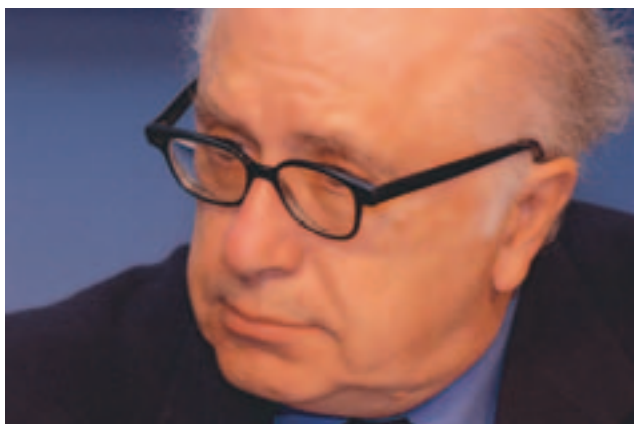
industrial production in France for example, jobs lost to other countries have amounted to less than 1%.” The question of service sector outsourcing, for him, is one of “a sharing of the international value-added chain”.

Bruno Lamborghini said that an ex-US administration official had recently predicted that because of outsourcing, the US could become a third-world country in 20 years' time. Bruno Lamborghini warns against this “hype” – “we must all step back a bit and look at what is new in this debate – not much. Just as China did not take up all of the world's manufacturing jobs, India will not take up all of its service jobs.” As a solution to the matter, Bruno Lamborghini suggested that governments must “avoid protectionism, and instead encourage innovation and set up provisions for readjustment”.

In the 1970s there was a general consensus that the outsourcing of manufacturing jobs was a plus, because rich countries could keep the high value-added jobs, recalled **Clyde Prestowitz**. According to him, “outsourcing is a natural phenomenon,



Lionel Fontagné



Bruno Lamborghini

and one to be encouraged if the conditions are right and there is no market interference. Subsidies and market distortions reduce the legitimacy of outsourcing". **Hassan Abouyoub** agreed. He noted that

keeping or attracting jobs means "enforcing labour standards, rule of law, and environmental standards, as well as providing political and economic stability".

in the trade game, there are always relative winners and relative losers in a given situation. While outsourcing of service sector jobs to Morocco has been minimal due to certain language and cultural barriers, he said, the migration of manufacturing to his country has been an issue.

For developing countries, he said,

A trade union perspective on outsourcing was less optimistic. **John J. Sweeney** said that over the past 20 years, economically liberal governments "have been using globalisation like a baton to club American workers". He said that 2.7 million manufacturing jobs had been lost in that period to plant relocations abroad. However, Guy de Jonquières reminded the audience of the enormous recycling effect of job loss and creation in the US – where there are almost always more jobs created than lost.

Everyone agreed however that one problem with large outsourcing plans is that they can sometimes hit in concentrated blasts – often affecting a single small town or region with great force. Retraining and resources for adult education must be made available to help deal with this. ■

AMBIANCES...

Managing the VIP room



Taking part in the debate

Logging on in the cybercafé



E-Health and the Informed Patient

Are Better-informed Patients Better Treated?

- **MODERATOR: DANIEL VIAL**, DIRECTOR, *PHARMACEUTIQUES MAGAZINE*, FRANCE
- **SIR WILLIAM CASTELL**, PRESIDENT AND CEO, GE HEALTHCARE
- **HONG-JEN CHANG**, CEO AND PRESIDENT, BUREAU OF NATIONAL HEALTH INSURANCE, CHINESE TAIPEI
- **THOMAS D'AUNNO**, DIRECTOR, HEALTHCARE MANAGEMENT INITIATIVE, INSEAD, FRANCE
- **ANDERS OLAUSON**, DIRECTOR, THE ANGRENSKA FOUNDATION, SWEDEN
- **MARIE SMITH**, PRESIDENT, AARP, UNITED STATES
- **PER WOLD-OLSEN**, PRESIDENT, HUMAN HEALTH – EUROPE, MIDDLE EAST AND AFRICA, MERCK & CO., INC.

A panel of six experts from various medical fields tackled the cutting edge of healthcare: e-health. From Taipei to Washington, from Sweden to Botswana, e-health is a buzz word with medical experts. But what is it?

E-health covers quite some terrain. It includes e-prescriptions, an electronic means of connecting doctors to pharmacies,



Hong-jen Chang

and smart cards – chip-imbedded credit cards that contain patient medical histories and so on. E-health also refers to the growing use by patients of the Internet to gather information on diseases, medications and treatments, and help them become more engaged in their health care.

The growth of consumer interest in e-health derives from the increase in patient knowledge and patient involvement and the imperative to become more involved in their care. A study of 8 000 patients in eight EU countries (see *The European Patient of the Future*, Maidenhead, UK, Open University Press, 2003) found that almost three-quarters claim that they should lead or participate in providing information on their diseases. This active involvement of patients has led to a much greater need for information, and a greater reliance on information technology to satisfy this need.

Sir William Castell emphasised that the development of clinical information technology is dramatically changing diagnostic capabilities. “It will lead to a fundamental change in our approach to healthcare and will make us move from a paradigm of late disease to a paradigm of early health with a personalised form of medicine.” But he raised the question of how far we should go? There are enormous economic issues as to whether early healthcare can be more cost effective. There are also grave ethical issues that must be considered as well as the confidentiality of data.

“E-prescriptions have proven tremendously effective in reducing medication errors, which account for 5% of medical prescriptions. These errors often result from sloppy handwriting”, explained Thomas d’Aunno.

Another aspect of e-health lies in the introduction of smart card technology to record medical information.



Sir William Castell

Hong-jen Chang explained that, “using German technology, we implemented a € 3.3 billion investment to equip Chinese Taipei’s 23 million people and healthcare workers with smart cards. This programme has already saved three times the amount invested.” The smart cards can contain vast amounts of information, but are not yet being used to their full capacity because of privacy considerations.



Per Wold-Olsen



Marie Smith

The importance of the Internet cannot be underestimated. For **Per Wold-Olsen**, the Internet has been critical in providing up-to-date information to AIDS or osteoporosis patients: “thanks to the Internet, a doctor in the Botswana bush has ready access to much of the latest medical literature on HIV clinical care”, he observed after a recent visit to Africa. One of the current shortcomings though is the lack of information in local languages. E-labelling of medications is part of the solution. For **Anders Olauson**, another issue with the Internet is its trustworthiness: “I believe that we should see certification of web sites by medical authorities”, he argued.

“E-health is a jungle on the Internet; that is to say, we can be confronted with the worst and the best”, said moderator **Daniel Vial**. For starters, there is the question of navigating through all of the information available online to determine just what is accurate and what is not.

Thomas D’Aunno reiterated that “patients want greater decision-making input”. The concern, however, is that physicians are not prepared to deal with more informed patients.

Infrastructure was also on the mind of **Marie Smith**, who paraphrased US Health Secretary, Tommy Thompson, saying “grocery stores (in the US) are more automated than our healthcare system”, with an estimated US\$125 billion spent each year on unnecessary paperwork. The US lags behind many European nations in the adaptation of technology to healthcare, yet access to technology seems limitless in its potential to fulfill the legitimate aspiration of patients to have the information they need to participate in their own care and to make informed and intelligent decisions. Consumers also recognise the value of technology to improve the quality of care they receive, particularly to help reduce errors and to provide their clinicians with a means of ensuring they provide necessary treatments.

Privacy issues also raised concerns from the floor. How, for example, might a “smart

card” system of centralised data undermine patient-doctor confidentiality? And, as to the question of insurance companies being influenced by such information, Sir William Castell asserted that this is already the case, with insurance companies currently looking at family history to determine one’s risk factor to disease.

A final issue provoking significant response concerned rules which in Europe prevented pharmaceutical companies from communicating directly with the public about clinical research and development, available treatments, and other health information. Citing an example of an AIDS patient in Europe who, unable to find cutting edge research at home went onto a US website to learn about a new drug treatment developed by a European company, Per Wold-Olsen highlighted that improved access can save lives, enabling patients to request treatment which they would otherwise not know existed. “As a pharmaceutical company” he said, “I am not allowed to provide information directly to you as a consumer – either on the Internet or through other media... We are prohibited from making the scientific information we have – consistent with the EU-approved product label – available directly to patients and consumers. At the same time, any producer of herbal remedies of doubtful efficacy... can disseminate its information through any means, with little or no regulatory oversight.” ■

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Trade Ministers Panel: Creating Momentum in the Doha Development Agenda

Undoing the Doha Log-jam

- **MODERATOR: JOHN ROSSANT**, EUROPEAN EDITOR, *BUSINESS WEEK*
- **YOUSSEF BOUTROS-GHALI**, MINISTER OF FOREIGN TRADE, EGYPT
- **FERNANDO CANALES**, MINISTER OF ECONOMY, MEXICO
- **DANUTA HÜBNER**, EUROPEAN COMMISSIONER
- **MUKHISA KITUYI**, MINISTER FOR TRADE AND INDUSTRY, KENYA
- **LEIF PAGROTSKY**, MINISTER FOR TRADE AND INDUSTRY, SWEDEN
- **MARTIN REDRADO**, VICE MINISTER OF FOREIGN AFFAIRS AND INTERNATIONAL TRADE, ARGENTINA
- **JIM SUTTON**, MINISTER OF AGRICULTURE AND MINISTER FOR TRADE NEGOTIATIONS, NEW ZEALAND

A crucial agreement to reduce export subsidies is in the air, said panellists, as members of the WTO were also scheduled to meet during the following days in Paris for a working



Fernando Canales



Leif Pagrotsky and Martin Redrado

session to help unblock talks in the Doha Development Agenda.

“Paris is a unique opportunity to advance free trade, and to enhance humankind and development in the broadest sense of the word”, said **Fernando Canales**. Movement is needed now, said **Martin Redrado**, as international economic conditions have worsened dramatically just in the past two weeks with higher interest rates. “If we do not do it now, it will take another generation”, said **Leif Pagrotsky**.

Asked by a journalist to rate chances for a breakthrough in coming days, **Jim Sutton**, tried to lower expectations. “It is just a discussion to identify the way forward”, he said, warning that a key announcement now might only provoke scepticism. Nevertheless, he gave a 50-50 chance for “a real deal” ahead of a key WTO meeting in July.

The stakes are high, as consensus on this hot topic promises to breathe new life into world trade talks, which collapsed

in September 2003 in Cancún, Mexico. There, the so-called G20 larger developing countries including Brazil, China, India and South Africa, united against the EU and US and demanded reform of agricultural subsidies and tariffs. This past week, the two economic powerhouses promised to do just that. The proposals revived prospects



Jim Sutton



Danuta Hübner

for an agreement on key issues by the deadline of 1 January 2005 set in Doha.

Martin Redrado called for a real and effective commitment to reduce export subsidies. The minister, like others on the panel, was reacting to the EU proposal by European trade commissioner Pascal Lamy to end about 3 billion euros of subsidies. The proposals, which were issued in the so-called Lamy letter, answered a call, again by letter, from US Trade Representative Robert Zoellick to trade ministers of WTO members to revive trade talks and avoid “losing 2004”. The EU would go as far as to cut “all forms of export subsidies”, said **Danuta Hübner** if “we can get a deal

on the two pillars of agriculture... the EU cannot do it alone.” The Lamy letter should not be seen as a chip on the bargaining table, said Leif Pagrotsky, if trade talks are to succeed; “countries should bite because they truly believe it is in their interest.”

Other ministers echoed Martin Redrado’s scepticism: “we have been here before” was a widely held sentiment. “The letter is definitely motion, but we need to translate that into progress”, said **Youssef Boutros-Ghali**. One stumbling block is indeed a “minimum agricultural package that will be agreed upon by everyone”, said **Mukhisa Kituyi**, for whom the devil was in the detail of the EU and US proposals.

Ministers identified the attitude towards the least developed countries (LDCs) as yet another obstacle to overcome. Youssef Boutros-Ghali said the real reason Cancun failed was a lack of respect for their concerns, as illustrated by cotton trade. Cotton featured strongly at the Cancun ministerial meeting, particularly in a debate about how high subsidies given to cotton farmers by some OECD countries adversely affected cotton exporters from some West African countries, notably Benin, Burkina Faso, Chad and Mali. But at Cancun, ministers did not forge a deal “that on the face of it they should have accepted”, because of the ill will at the talks. “The discourse to the least developed



Youssef Boutros-Ghali

countries must change.” The sense of frustration by the least developed countries runs deeper and predates Cancun, said Mukhisa Kituyi. Although trade has been in theory connected with development for decades, he said, “we do not have much development to show for it”.

Politics was a sticking point. As Martin Redrado said: “What can the US do on export subsidies during an election year?” Because of the political timetable, he saw a need for ministers in Paris to deliver a breakthrough within the next 24 hours. ■



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Combating Infectious Diseases

Competition and Survival

- **MODERATOR: HÉLÈNE CARDIN**, HEALTH JOURNALIST, FRANCE INTER
- **ANARFI ASAMOBA-BAAH**, ASSISTANT DIRECTOR-GENERAL, COMMUNICABLE DISEASES, WORLD HEALTH ORGANIZATION
- **CLEMENTINE DEHWE**, GLOBAL UNIONS HIV/AIDS CAMPAIGN COORDINATOR, INTERNATIONAL CONGRESS OF FREE TRADE UNIONS
- **PAUL HERRLING**, HEAD OF CORPORATE RESEARCH, NOVARTIS
- **JACQUES-FRANÇOIS MARTIN**, PRESIDENT AND CEO, THE VACCINE FUND

We live in a global village which has many advantages, but it raises with it a heightened risk of spreading dangerous infectious diseases. Such was the main warning from this session. On a brighter note, research is ongoing, and not necessarily at great cost, while global co-operation is advancing to ensure diseases are contained, if not eliminated.

For **Anarfi Asamoeba-Baah**, there were three major trends that had to be borne in mind



Clementine Dehwe



Hélène Cardin, Anarfi Asamoeba-Baah, Clementine Dehwe and Paul Herrling

when considering the issue of infectious diseases. One is movement, with air travel in particular making the spread of disease much more likely than before. A second was bioterrorism, as the anthrax scares of 2001 underlined, with the danger of attacks allowing the likes of smallpox and other “old” and hitherto controlled infections to emerge anew. The third trend is that of new diseases, with 14 serious new ones identified over the last 30 years, including viruses from animals that have mutated and now affect humans. Animal welfare, people-animal contact – these are new issues.

One old disease that is far from being defeated is HIV/AIDS, **Clementine Dehwe** pointed out. “For 20 years we have been fighting it, so it is high time the global arena took it seriously”, she complained. WHO was once famous for its slogan: health for all by 2000, she recalled, but now “it is death for all, as many countries are perishing”. The WHO’s new “3 by 5” (to treat 3 million sufferers by 2005) was a welcome initiative, but what will be done to build on it, since after 2005 the disease will still be there. In the meantime, HIV/AIDS would remain a burden: “Health

workers are wasting time burying the dead. And people are dying at work.” She suggested that labour unions could play a firmer role, to pressure employers to come up with solutions, adding to NGO pressure.

For **Paul Herrling**, access was the key, and several issues impeded the global distribution of treatments. Cultural differences were one, corruption another, but a basic problem was the lack of research



Paul Herrling



Jacques-François Martin

into certain non-headline conditions that promised little by way of commercial returns. Yet there were serious tropical diseases around, like dengue fever, which is caused by a mosquito-induced virus. Compared with malaria, which is a parasite, dengue fever receives scant attention internationally, yet was endemic in 100 countries. The WHO estimates 50 million cases of dengue infection occur each year. There was no known vaccine, nor was the disease subject to much research.

It was precisely to fill gaps like this that Novartis set up a new tropical disease research institute in Singapore in 2003. Singapore was chosen, he said, because of its climate and its ability to attract top researchers, while assuring access to up to date technologies. The Novartis Institute for Tropical Diseases focuses on a limited number of projects with a long-term (10-year) discovery cycle. The aim was to find cures, to educate scientists, and to distribute cures to developing countries on a non-profit basis.

Jacques-François Martin argued in a similar vein. Some 30 million children a year are not vaccinated against routine childhood illnesses, leading to millions

of unnecessary deaths. Many children escaped death, but were often weakened or debilitated for life. Jacques-François Martin also called for more effort to resolve problems arising from patenting. Price differentiation for certain poorer populations and conditions had to be introduced as standard, he said. Measles, which killed 800 000 children every year in less-developed countries because of a lack of treatment, was a case in point: “We have no right to allow people to die over a patent”, he argued. The will and determination to treat illnesses was all that was missing. “We have the means” he complained, but “the gap between the potential for action and what we are actually doing was wider than ever”.

One member of the audience from Save the Children agreed, arguing that we need less innovation and more commitment to action, particularly to help mothers and children. OECD countries could co-operate in simple ways. Jacques-François Martin suggested that the norms followed for removing certain drugs from circulation deserved attention, although “it was a very sensitive legal issue”. For instance, a cheap treatment against diarrhoea may be banned by rich countries because of very minor side-effect risks for their healthy populations, yet the same drug may potentially save millions of lives in poor countries where survival is a priority.

A trade union representative from the floor wondered whether workplace initiatives could help to promote better behaviour locally. The panel agreed that employers could do much to help to overcome cultural fears and remove the stigmas attached to having a disease, for instance, and by helping to promote treatment. But while the workplace was important, civil society was even more so for keeping up momentum and spreading the message. “That is why this OECD Forum is important” said Anarfi Asamoah-Baah. ■

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OECD PUBLICATIONS, 2, rue André-Pascal, 75775 PARIS CEDEX 16
PRINTED IN FRANCE
(01 2004 08 1 P) ISBN 92-64-10846-7 No. 82801