

ORGANISATION DE COOPÉRATION ET DE DÉVELOPPEMENT ÉCONOMIQUES



ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

DIRECTION DES RELATIONS EXTÉRIEURES ET DE LA COMMUNICATION  
PUBLIC AFFAIRS AND COMMUNICATIONS DIRECTORATE

Le Directeur  
The Director

24 May 2005

Dear Ambassador,

On Thursday 16 June 2005 the OECD will be holding a High Level Parliamentary Seminar on the theme of Growth and Services, drawing in particular on the latest OECD report to Ministers, "Growth in Services, Fostering Employment, Productivity and Innovation." The meeting will take place at OECD headquarters in Paris (see attached background note and agenda).

I would be very grateful if you could transmit an invitation to participate in this event to relevant parliamentarians/legislators in your country and if you could inform Ms. Meggan Dissly of the Public Affairs Division (Tel: 01.45.24.80.94; E-mail: [meggan.dissly@oecd.org](mailto:meggan.dissly@oecd.org)) or Valérie Rousslin, E-mail [Valerie.roussclin@oecd.org](mailto:Valerie.roussclin@oecd.org) by Friday June 10 2005 of the names of participants from your country.

Parliamentarians/legislators have a key role to play in helping governments and societies maximise the benefits of globalisation and build the political will to carry out the necessary adjustments. We look forward to the participation of representatives from your country in this important event.

With my best regards,

Yours sincerely,

A handwritten signature in black ink, appearing to read "Chris Brooks". The signature is fluid and cursive, with a horizontal line underneath the name.

Chris Brooks



## Seminar objectives and organisation:

Parliamentarians have a key role to play in helping governments and societies maximise the benefits of globalisation and minimise the adjustment costs. The service sector is the largest producer of jobs in OECD economies, and providing the best possible climate for services to continue to grow and prosper is an important factor in addressing the challenges of globalisation.

The objectives of the seminar will be to:

- share with parliamentarians the OECD's work on growth in services;
- listen to parliamentarians' views on how to implement the policy recommendations and reforms necessary to stimulate growth in services;
- seek parliamentarians' support for building the political will to carry out the necessary reforms.

## Background

In May 2003, the Ministerial Council asked the OECD to analyse the contribution made by the services sector to employment growth, productivity and innovation, and to identify factors, institutions and policies that could enhance the growth prospects of this sector. An OECD report, "*Growth in services – Fostering employment, productivity and innovation*" <http://www.oecd.org/dataoecd/58/52/34749412.pdf> draws the main policy conclusions from the project. The findings and policy implications of the work are summarized in the Executive Summary (link to website above).

The High-Level Parliamentary Seminar will cover such issues as innovation and productivity in the services sector and the need to facilitate use of new technologies; the benefits of opening both domestic and international markets to trade and investment in services and the implications for developing countries; the need to reform labour markets and adopt structural policies favourable to growth of services.

Further regulatory reform of services markets will create new opportunities for firms to develop new services and increase employment. It will also increase the incentives for companies to innovate and improve productivity growth. Opening service markets implies reducing the degree of public ownership in competitive services, addressing anti-competitive practices in professional services and reducing barriers to entrepreneurship.

Labour and social policies are essential to help OECD economies adjust to globalization, structural change and the shift to services. Policy makers should address the high labour taxes that affect the job prospects for low-skilled workers and employment protection legislation should be reformed in countries where it is overly strict.

Innovation policies remain ill adapted to the growing importance of innovation in services and to the new potential for product and process innovation that is due to information and communications technology. How can existing public R&D better address the needs of the services sector to improve the links between services sector firms and public research?



Countries gain from more open services trade in ways which are similar to trade liberalisation in goods. However, services have a number of distinctive features that need to be taken into account when discussing trade liberalisation and its impact on developing countries. According to some studies, gains from services liberalisation could exceed those from goods liberalisation in some studies by up to a factor of five.

Developing countries have a clear comparative advantage in labour-intensive services (construction services, data processing), including at the higher-skilled end of the chain. Technological advances in telecommunication and computer industries have allowed developing countries endowed with a well-educated and cost-competitive workforce to produce and export computer and related services worldwide.



**Agenda High-level OECD Parliamentary Seminar on Growth in Services**  
**OECD Headquarters, Paris 16 June 2005**  
**10am – 5pm**

- 10.00 Welcome by Chair of the Seminar
- 10.05 Presentation of OECD work on growth in services
- 10.20 Discussion
- 11.00 Structural reforms favouring growth in services
- 11.15 Discussion
- 12.00 liberalising trade in domestic and in international service markets
- 12.15 Discussion
- 13.00 Working lunch with outside speaker on services
- 15.00 Trade liberalisation and the developing world
- 15.30 Discussion
- 16.45 Concluding remarks, Chair