OECD Château de La Muette, Paris 20.11.2009
Seminar " 20 years After " the fall of communism: Reflections on the Economic Transformation of the Czech Republic, Hungary, Poland and the Slovak Republic.
Left to right: HE Karel DYBA, (Czech Republic), Ambassador Extraodinary & Plenipotentiary, Permanent Representative and Angel GURRÍA, OECD Secretary-General

EDRC 50th Anniversary

By Karel Dyba, Ambassador,
Czech Republic Delegation to the OECD

I have been with the OECD as the Czech Permanent Representative for four years, but the OECD and its Economic and Development Review Committee has been with us for much longer. They have been following our country and providing our policymakers with valuable recommendations almost since the beginning of our new history as a democratic state after the fall of communism.

OECD experts and EDRC members began to scrutinize the (then still) Czechoslovak economy soon after the onset of the transition. I have the first economic survey of the Czech and Slovak Federal Republic (from 1991) in my library, with some parts underlined, which means that I carefully studied it (at that time, as Minister for Economic Policy and Development in the Czech government). Recently, I opened it again and found out that I had underlined especially the parts pointing to severe statistical problems and suggesting that the magnitude of the economic downturn at the start of the transition as measured by changes in aggregate indicators such as GDP or NMP (net material product) was probably overstated. This concurred with my own observations and I referred to the OECD analyses in economic and political debates of those times.

I would note that the issue of the depth and nature of the transition decline has not yet been resolved by statisticians and therefore the data from the early 1990s, which OECD and other economic institutions have in their time series, are only provisional and have to be treated as such in long term analyses. The statistics from the second half of 1990s are already of standard quality, meaning that the economic surveys and other analyses produced after the accession of our country to the OECD in 1995 are not affected by this constraint.

I have always considered the economic surveys as OECD flagship publications and highly relevant reports in that they discuss and recommend reform measures to support growth as well as economic and social stability in our countries. Surely, the expertise of OECD economists and the vast pool of data and experience from its member states contribute to robustness of the analysis and soundness of the policy advice. Moreover, I believe that it is the unique features of the preparation process, such as on-site missions, continuity of authorship and peer reviews in the committee that endow the surveys with deep insight into the country's specific problems and help formulate practicable recommendations suited to the country's reality. The committee plays an irreplaceable role in the process not only by bringing in the experience-sharing element but also by keeping an eye on consistency of the reports in time and across countries. Those involved in the drafting typically strive to find a delicate balance between proposing the best action from a theoretical point of view and recognizing what is doable with respect to the political economy of the country concerned. Sometimes, I would personally prefer sharper and less politically correct assessments and recommendations.

Another distinctive feature of the OECD surveys is the vast array of structural topics they cover. Over the past years we have thus been able to draw on their advice in a number of areas from tax to pension and healthcare reform, to mention just a few. Needless to say, the surveys of the Czech Republic are frequently referred to by our analysts and policymakers and quoted by journalists. They may also serve as an important source of information for foreign observers of our economy.

To conclude, I could hardly describe the value of OECD economic surveys better than Val Koromzay, former head of Country Studies Branch in the OECD, who said (at a seminar on Economic Growth Strategy of the Czech Republic held in January 2006): “Our country reviews are often a useful catalyst. This is not because OECD reviews can somehow put pressure on governments to do things that they don’t want to do; but because they can encourage governments to do what they in fact want to do (even if they can’t say so out loud for political reasons) and hopefully provide ammunition to use against domestic opponents of reform.” I could not agree more.

Robert Ford, deputy director of the OECD at Government Buildings yesterday. The OECD report recommends further measures to reduce Ireland’s deficit. Source: Business Today - Saturday, October 15, 2011