THE OECD AND THE G20: AN EVER CLOSER RELATIONSHIP?

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ABSTRACT

This Article critically analyzes the recent developments in the relationship between the G20 and the Organisation for Economic Co-operation and Development (OECD). The OECD has been one of the world’s key economic institutions since its establishment. Recently however, its limited membership and the engagement of other international organizations in its traditional issue fields have increased the fear that the OECD might become less relevant within the global economic architecture. At first, the emergence of the G20 reinforced this fear. However, thanks to the activism of the OECD’s secretary-general, its pool of knowledge, and the expertise of its secretariat, the OECD was able to turn the threat into an opportunity to revive itself. The OECD increasingly performs operational, implementation, and monitoring assignments for the G20, which itself lacks such capabilities. Recent G20 communiqués support the claim that both entities increasingly cooperate in order to solve their respective shortcomings. The increased cooperation allowed the OECD to regain its relevance within the global economic governance architecture, while the G20’s functioning is strengthened thanks to the contributions of the OECD on a growing number of issues. The growing concrescence of both organizations raises some concerns about the role and functioning of both entities in the global economic governance architecture.

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INTRODUCTION

After the outbreak of the international financial crisis in 2008, the G20\(^1\) achieved the status of “the premier forum for our international economic cooperation” according to its members.\(^2\) However, notwithstanding its increasingly important role in global economic governance, the G20 remains, even after its “upgrade” to a leaders’ forum, a rather embryonic and informal body.\(^3\) It has neither a charter nor a voting mechanism, and it does not produce legally binding decisions;\(^4\) characteristics which stand in firm contrast with the practice of formal international organizations. More remarkably, the G20 has reiterated on several occasions that it does not aim to transform into such an international organization.\(^5\) Consequently, its lack of operational, implementation, and monitoring capabilities raises concerns about its functioning.\(^6\) Of particular concern is the nonexistence of a secretariat to assist the G20 with its work. However, as this Article argues, the G20 may have found at least a partial answer to this shortcoming by delegating tasks to traditional international organizations and drawing upon those organizations’ expertise. In particular, the G20 has culti-

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1. The G20, an international organization consisting of representatives from twenty countries, was established to bring together systemically important industrialized and developing economies to discuss key issues in the global economy. What Is the G-20, G20, http://www.g20.org/about_what_is_g20.aspx (last visited Oct. 30, 2011).
vated a special relationship with the Organisation for Economic Co-operation and Development (OECD). 7

The objective of this Article is to shed light on the recent evolution of the relationship between the G20 and the OECD and to point to a number of issues which might render the relationship problematic in the near future. Part I provides a short overview of the history of the OECD and explores the rationale for its openness toward working with the G20. Part II addresses the rise of the G20 and its need for support and operational capabilities. Building on this, Part III investigates the main reasons that both entities have increased and intensified their ties to each other. Part IV explores how the relationship between the OECD and the G20 has been developing and analyzes whether both entities indeed cooperate more closely. The G20’s communiqués clearly demonstrate the growth of contributions of the OECD to the G20. Moreover, they show that the range of issues in which the OECD supports the functioning of the G20 is broadening, which has both positive and negative implications. This Article ends with a number of concluding remarks.

I. PAST WAVES WITHIN THE OECD

The OECD, established in 1960, is the successor organization to the Organisation for European Economic Co-operation (OEEC), which was created in 1948 in order to administer the Marshall Plan for the reconstruction of Europe after World War II and to supervise the distribution of aid to war-torn Europe. 8 The OEEC’s attention quickly shifted toward a more cohesive approach promoting economic integration and cooperation in Europe. 9 However, the Organisation for Economic Co-operation and Development (OECD) has functioned more as an Atlantic organization than a European organization. Id.
tance of the OEEC deteriorated after the abrupt end of the Marshall Plan in 1952. Soon after, the international community’s debate about whether to bring economic issues under the mandate of the North Atlantic Treaty Organization took off, which almost heralded the end of the OEEC. In the end, the OEEC maintained its mandate of dealing with these economic questions. In particular, it started to focus on promoting economic cooperation and integration between the European countries, which resulted in a framework for the establishment of a European Free Trade Area. In the late 1950s, the objective of establishing a European Free Trade Area was, at least for six European countries, de facto surrendered to the European Economic Community, which was succeeded by the European Union. Around the same time, the OEEC underwent a number of internal and external adjustments, resulting in its conversion to the OECD, an organization whose main objective consists of monitoring the performance of its democratic and market-oriented member counties and promoting policies designed to achieve the highest levels of sustainable economic growth, employment, and living standards. Beginning in 1959, the issues of development and cooperation were put on the OECD agenda. In the 1970s, the OECD mitigated the fallout of both the oil crisis (by putting energy on its agenda) and the collapse of the fixed exchange rate system. Shortly after, the reform of the International Monetary Fund (IMF) and its Article IV surveillance

14. See Convention on the OECD, supra note 8, arts. 1–2; Green, supra note 9, at 256; cf. James Mayall, The Institutional Basis of Post-war Economic Cooperation, in International Institutions at Work 53, 56 (Paul Taylor & A.J.R. Groom eds., 1988) (the OECD’s purpose was to harmonize domestic economic policies).
undermined the role of the OECD in the monetary field.\textsuperscript{17} After the Cold War, the OECD engaged in a new undertaking; namely in assisting with the adaptation and transformation of the former communist countries in Eastern Europe to liberal democracies,\textsuperscript{18} in particular through the OECD Partners in Transition Program.\textsuperscript{19} As the European Union enlarged, the need for OECD assistance declined. In this sense, the European Union’s enlargement posed a strong challenge for the OECD.

The mission of the OECD has always been one of the least well-defined among international economic institutions.\textsuperscript{20} Paradoxically, the absence of such a precisely defined mission has contributed to the OECD’s resilience.\textsuperscript{21} Yet, it also renders the OECD more vulnerable to the duplication or acquisition of its functions by other institutions. In particular, after the accession of the former members of the Eastern Bloc to the European Union (in particular the 2004 and 2007 E.U. enlargements), the OECD faced the serious threat of becoming less relevant within the global economic governance architecture.\textsuperscript{22} Notwithstanding its cooperation with other institutions, the OECD became increasingly squeezed between other institutions, leading to questions about its relevance within global economic governance.\textsuperscript{23} The changing global eco-

\textsuperscript{17} Id. at 34–35.


\textsuperscript{19} Angel Gurría, Secretary-General, Org. for Econ. Co-operation & Dev., Remarks at a Seminar Organized by the Permanent Representatives of the Czech Republic, Hungary, Poland and the Slovak Republic to the OECD (Nov. 20, 2009), available at http://www.oecd.org/document/32/0,3746,en_21571361_44315115_44137952_1_1_1_1,00.html.


\textsuperscript{21} Id. at 236; see Cuyvers & Kerremans, \textit{supra} note 10, at 90–91.

\textsuperscript{22} Cf. Peter Carroll & Aynsley Kellow, \textit{The OECD: A Study of Organisational Adaptation} 3–4 (2011) (asserting that austerity measures and staff perception of the OECD’s relevance caused the perceived significance of the OECD to decline). In this context, OECD Secretary-General Angel Gurría often uses the word “relevance” in speeches and press releases; he has emphasized that “[t]he pursuit of relevance continues to be [his] guiding objective.” See OECD Countries Renew Angel Gurría’s Mandate as Secretary-General, Org. for Econ. Co-operation & Dev. (Sept. 30, 2010), http://www.oecd.org/document/8/0,3746,en_21571361_44315115_46108488_1_1_1_1,00.html; see also Angel Gurría, Secretary-General, Org. for Econ. Co-operation & Dev., Introductory Remarks at the NATO Parliamentary Assembly: A Reinforced Commitment to Relevance and Impact (Feb. 17, 2010), available at http://www.oecd.org/document/11/0,3746,en_21571361_44315115_44622539_1_1_1_1,00.html.

\textsuperscript{23} Woodward, \textit{supra} note 20, at 236.
nomic landscape of the last decades has reinforced the uncertainty regarding the OECD’s relevance. The absence of several important economic powers, such as China, India, and Russia from OECD membership, provided a further threat undermining the relevance of the OECD.24 In addition, the OECD and its member states became aware that the issues the OECD dealt with were becoming increasingly global in scope.25 Traditionally, the OECD has been a club of industrialized countries committed to market-based economies.26 The OECD provided a forum for these like-minded industrialized and advanced economies to discuss and study their common problems.27 Consequently, the OECD is sometimes labeled a “rich man’s club.”28 As a result, global adoption of its work was problematic as the OECD’s Western-biased membership did not appeal to nonmember countries.

The OECD needed a drastic change of direction in order to revitalize it. If the OECD was to remain a relevant body within the changing global economy, it had to broaden its membership and find itself a new comparative advantage vis-à-vis other economic institutions.29 In order to allow an expansion of its membership, the OECD took a more pragmatic approach towards its accession requirements. This resulted in the accession of ten new member states since the 1990s, bringing its total membership to thirty-four countries.30 Its new members included eastern European coun-

26. See O’Brien & Williams, supra note 8, at 125; Joseph E. Stiglitz, GLOBALIZATION AND ITS DISCONTENTS 90, 95–96 (2002); Bourgon, supra note 25, at 3.
27. See Martin Marcussen, The Organization for Economic Cooperation and Development as Ideational Artist and Arbitrator: Reality or Dream?, in DECISION MAKING WITHIN INTERNATIONAL ORGANIZATIONS 90, 97 (Bob Reinhalda & Bertjan Verbeek eds., 2004).
29. See Woodward, supra note 20, at 238, 240–41. The limited membership of the OECD used to be its comparative advantage over other economic institutions, but the changing global order has eroded this. Cf. id. at 240–41 (discussing the benefits and challenges of enlarging OECD membership).
30. OECD Member Countries, supra note 24. The ten newest members are Mexico (May 18, 1994), the Czech Republic (Dec. 21, 1995), Hungary (May 7, 1996), Poland (Nov. 22, 1996), South Korea (Dec. 12, 1996), the Slovak Republic (Dec. 14, 2000), Chile (May 7, 2010), Slovenia (July 21, 2010), Israel (Sept. 7, 2010), and Estonia (Dec. 9, 2010). Id.
tries as well as countries such as Israel, Mexico, South Korea, and Chile. In the meantime, the OECD diversified the issues it handled. It engaged in developing guidelines, conventions, and agreements in several areas, ranging from taxation and education, to Internet policy and standards for multinational enterprises. Currently, the OECD is involved in all areas of government policy, except for culture and defense. By broadening both its membership and its issue range, the OECD further expanded its enormous pool of expertise and knowledge. As a result of this expertise, the OECD has become an originator of best practices, many of which are now seen as mainstream, conventional wisdom. The OECD secretariat’s high level of knowledge and expertise are defining characteristics of the organization. The OECD secretariat enjoys a certain level of autonomy from other international organizations and from the OECD member states. As a forum for the construction, standardization, and dissemination of knowledge, the OECD could offer significant contributions to the global economic governance system. However, both its enlargement in the last twenty years and its valuable expertise pool did not ensure the OECD a strong position within the global economic governance architecture. The acquisition of some of its functions by other organizations and its still limited membership remained important threats to the organization. In recent years, these circumstances have led to a declining interest in the OECD by some of its largest members and financial contributors. Consequently, the OECD, and in particular its Secretary-General Angel Gurría, started looking for opportunities to restore the OECD to its position as a relevant organization within the

31. Id.
32. Bourgon, supra note 25, at 2; see also Jan Aart Scholte, Global Trade and Finance, in THE GLOBALIZATION OF WORLD POLITICS 450, 452 (John Baylis et al. eds., 4th ed. 2008) (the OECD provides a forum for most policy issues except military affairs); cf. Edwards, supra note 8, at 77 (the OECD is involved in monetary, customs, commercial, finance, taxation, business, competition, freedom of movement of persons, labor, agricultural, transportation, and energy policies).
33. Woodward, supra note 20, at 234; cf. Rianne Mahon & Stephen McBride, Introduction to THE OECD AND TRANSNATIONAL GOVERNANCE, supra note 11, at 3, 3 (the OECD is a “purveyor of ideas” and plays a critical role in identifying transnational norms).
35. Mahon & McBride, supra note 33, at 8.
global economy and to increase the effect of its work. As will be elaborated in the next Part, the emergence of the G20 provided the OECD with such an opportunity.

II. THE RISE OF THE G20

The G20 emerged out of a debate within the G7 which stressed the need for a permanent forum for informal dialogue between advanced and emerging economies. An equally important incentive leading to the creation of the G20 was the desire of the G7 to find “other countries with the capacity to support the [international financial] system” by lending funds to the IMF in case of emergencies. The G20 was discussed for the first time in 1999 at the G7 Cologne Summit. Shortly thereafter, at a meeting of the G7 finance ministers in Washington, D.C., the G20 was officially founded as a forum of finance ministers and central bank governors. The newly established forum held its first meeting in Berlin in December of 1999. The United States and Canada, the G20’s original promoters, aimed to transform the G22 and G33 into a body which would be less ad hoc and more acceptable to the Euro-

38. The G7 is the meeting of the leaders of a group of seven industrialized nations. See Glossary of Statistical Terms, Org. for Econ. Co-operation & Dev., http://stats.oecd.org/glossary/detail.asp?ID=6806 (last updated July 18, 2005). Formed in 1975, its members are France, Germany, Italy, Japan, the United Kingdom, the United States, and Canada. Id. In 1997, the group added Russia, thus becoming the G8, although the G7 continued to meet separately as well. Id.


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pean countries and which would have a more limited membership to make consensus more likely. The more limited membership made it extremely important for the founding parties, namely the United States and Canada, to seriously consider and assess all possible candidates and ensure that the “right” countries were sitting at the table. The G20 contains twenty systemically important economies (nineteen countries and the European Union) reflecting the recent tectonic shifts in the global economy and its higher integration. The premier goal of the G20 is to promote informal dialogue on a wide range of economic and financial issues among systemically important countries within the framework of the Bretton Woods institutions. Equally important, the G20 aims to enhance the cooperation between its member countries in order “to achieve stable and sustainable world economic growth that benefits all.” In this sense, the G20 has superseded the G22 and the G33 as it was intended to do.

Initially, the G20 was a response to the Asian financial crisis and was composed of the finance ministers and central bank governors of its member countries. In its early years, the G20 proved to be a valuable forum for financial crisis management, but the rele-

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44. See G20 History, supra note 3, at 22–24 (discussing early membership concerns and the leadership role of Canada and the United States). The European Union in particular felt underrepresented. See id. at 21.

45. See id. at 20–21.


47. G20 History, supra note 3, at 8–9.


49. See Washington Statement, supra note 42, ¶ 19.


51. G20 History, supra note 3, at 9. The Asian financial crisis emerged in 1997 in Thailand and quickly spread to the rest of Asia, Russia, and Latin America. Id. The main cause for the crisis was the decision to cut the fixed exchange rate of the Thai currency, the baht, to the U.S. dollar as a result of higher interest rates in the United States and lower capital inflow in Thailand. SHALENDRRA D. SHARMA, THE ASIAN FINANCIAL CRISIS 83–84 (2003). The floating of the baht quickly resulted in its collapse and financial unrest in the region. Id. at 109.
vance of the G20 Finance\textsuperscript{52} dropped as the Asian countries slowly recovered from the Asian financial crisis.\textsuperscript{53} When the global financial crisis hit the world in 2008, memories of the Asian financial crisis led to the rediscovery of the G20.\textsuperscript{54} The direct involvement of the leaders of the G20’s member countries was necessary to provide quick and strong answers to the global financial crisis.\textsuperscript{55} Consequently, the G20 was elevated to the leaders’ level. The G20’s informal outlook and high global representativeness (far more inclusive than the G7/8)\textsuperscript{56} made it the most suitable body to deal with the issues which emerged during the 2008 global financial crisis.\textsuperscript{57} Some authors argue that the G20 is no more than a continuation of the dominance of Western countries in global economic decision-making.\textsuperscript{58} Other authors argue that the G20 enjoys a substantial level of legitimacy and efficiency\textsuperscript{59} which is rarely achieved by other international bodies. At the very least, the G20 represents, due to its inclusive membership, a slow and incremental shift toward greater participation by emerging economies in global economic governance.\textsuperscript{60} It is, in a sense, the first international body where emerging economies are on an equal footing with tradi-
tional ones. As emerging economies are on par with advanced economies, the G20 is a pioneer compared to traditional international organizations. Furthermore, because the G20 involves nations’ leaders rather than technocrats to whom authority is usually delegated, it is able to provide quick answers to issues which arise suddenly and has an enhanced ability to overcome policy differences among its members. Currently, the G20’s agenda has broadened from its initial focus on crisis management to a greater focus on structural economic issues. As indicated above, since its September 2009 Pittsburgh Summit, the G20 has referred to itself as “the premier forum” for its members to discuss international economic and financial issues.

Despite this status, the G20 has failed to receive a particular mission, and rather works as both an emergency response and agenda-setting group. Some authors have argued that the G20 should become a council of governors for global economic governance. As the latest financial crisis has shown, the G20 has increasingly become a de facto executive forum which provides the coordination and the much needed political authority to ensure decisive global responses to economic issues. It is increasingly becoming the “global playmaker” in economic issues, setting the agenda for the traditional global economic governance institutions.

61. See G20 History, supra note 3, at 5.
63. Cf. Beeson & Bell, supra note 6, at 57.
64. See id.; Woods, supra note 53, at 37.
70. See Jan Wouters et al., The International Financial Crisis, Global Financial Reform and the European Union, in THE EUROPEAN UNION AND GLOBAL EMERGENCIES 141, 147 (Antonis Antoniadis et al. eds., 2011); see also Heinbecker, supra note 67, at 5 (noting that “[t]he
result, the G20 dominates, to some extent, these traditional organizations’ agendas and weakens these organizations’ ability to allocate attention according to their respective preferences.

As a recent addition to the global economic governance architecture, the G20 faces a number of constraints and problems, in particular related to its institutional weaknesses. The first constraint on the G20’s functioning is that its member states do not delegate power to the G20. It thus remains an informal, network-oriented, atypical and, in a sense, weak organization. The second constraint is its lack of important technical expertise and knowledge in preparing meetings and implementing its decisions in the national agenda of its member states. The G20 needs the support of other international organizations or member states to realize its agenda71 because it lacks a secretariat to perform these much-needed functions.72 To enable the G20 to make the shift from a crisis committee to a global steering committee and to enhance its capabilities in dealing with multifaceted, complex problems, a secretariat is of the utmost importance. Today, the G20 increasingly delegates these secretarial assignments to other international organizations.73 Evidence for this remarkable development can be found in the communiqués, as discussed in Part IV of this Article. As will be discussed below, the G20 is increasingly relying on the OECD to assist its functioning and has cultivated strong relations with the OECD to achieve its goals.

III. RATIONALE FOR THE GROWING COOPERATION BETWEEN THE OECD AND THE G20

As the premier forum for its members’ international economic cooperation, the G20 has cultivated special relationships with the traditional global economic governance institutions and is increasingly calling upon these organizations to support its functioning. The OECD in particular has contributed greatly to the G20’s work. The advantage of the OECD vis-à-vis other international organizations is its secretariat’s enormous pool of expertise and knowledge in a wide variety of issue areas. The other international organizations on whose experience the G20 draws, such as the IMF and the

impact of the G20 on the management of global financial affairs has been positive and significant”.

71. See Woods, supra note 55, at 42.
72. Cf. Beeson & Bell, supra note 6, at 77 (asserting that the lack of a permanent secretariat constrains the G20’s effectiveness).
International Labor Organization (ILO) are often more narrowly focused. By contributing broadly to the G20, the OECD has been able to strengthen and revive its declining role within the global economic governance architecture. The G20 gratefully accepts the assistance of the OECD as it lacks operational and implementation capabilities itself. As a knowledge and experience driven organization, the OECD has much to offer to the G20. The OECD has been in existence for five decades and has gathered enormous knowledge in a wide range of economic and financial issues. The G20 often deals with similar issues but does not yet have the knowledge and expertise to deal with these issue’s complex and technical details. Consequently, since the September 2009 Pittsburgh Summit, the OECD has been invited to the recent G20 summits. Moreover, the current secretary-general of the OECD, Mr. Angel Gurría, has been actively engaged in putting his organization forward as a useful complement to the work of the G20.74

The strengthening of the relationship between the G20 and the OECD can be better understood from a historical perspective. The OECD previously cooperated intensely with the G7/G8 after overcoming its initial resistance to the G7’s meetings due to its overlap with OECD work.75 The G7, similarly to the G20, always resisted the temptation to institute a secretariat.76 The OECD performed as a de facto secretariat for the G7 by responding to specific requests for work or by providing intellectual foundations for the G7’s work.77 The OECD often fulfilled the unglamorous task of maintaining the momentum and keeping track of developments between the G7’s meetings. In this sense, the OECD has been described as the “Cinderella” among international organizations: “It does not always go to the balls like its grander sister organisa-

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74. See Gurría, supra note 19; see also Mahon & McBride, supra note 36, at 84 (discussing OECD efforts to develop governance principles).
75. Cf. Wolfe, supra note 11, at 35 (discussing early issues between the OECD and the G7); Andrea de Guttry, The Institutional Configuration of the G7 in the New International Scenario, INT’L SPECTATOR, Apr.-June 1994, at 67, 72–73 (discussing a G7 initiative where the OECD provided the secretariat). The cooperation between the G7 and the OECD was easier and less problematic than the relationship between the G20 and the OECD because all members of the G7 were also members of the OECD. See generally G7/G8 References to the Work of the OECD, ORG. FOR ECON. CO-OPERATION & DEV., http://www.oecd.org/document/19/0,3746,en_2649_37465_2512403_1_1_1_37465,00.html (last visited Oct. 30, 2011) (identifying projects that the OECD and G7/G8 were jointly involved with).
76. See Kirton, supra note 39, at 23.
77. Woodward, supra note 20, at 235.
tions, though it often runs up their dresses and sometimes clears up the mess after the party." 78

The OECD has been invited to the G7/G8’s meetings since 2007. 79 The highest point of the G7/G8’s relations with the OECD was at the Heiligendamm and L’Aquila summits. 80 The G8 invited the so-called G5 emerging countries (Brazil, India, China, Mexico, and South Africa) to these summits (Heiligendamm in 2007 and L’Aquila in 2009). In doing so, it recognized both the growing global economic interdependence and the rise of emerging economies. The OECD provided the platform for this dialogue and the Heiligendamm/ L’Aquilla Support Unit was housed in the OECD under the direct supervision of the OECD secretary-general. 81 While the emergence of the G20 decreased the relevance of this process, the cooperation which arose during these summits between the OECD and the G8 has been an important incentive for further collaboration under the G20.

Another reason for the strong cultivation of the G20/OECD relationship is that their respective memberships are becoming increasingly similar. This makes the OECD an excellent venue to support the G20’s functioning. Eleven members of the G20 are members of the OECD. 82 Moreover, thanks to the inclusion of the European Union as the twentieth member of the G20, seventeen more members of the OECD are indirectly represented in the G20. 83 The expansion of the OECD since the 1990s is the main

79. See also Wonyuk Lim & Yumi Park, Institutional Innovations for Consultation and Outreach: Making the G20 More Responsive and Effective 32 (2010) (indicating that the OECD participated in G8 summits in 2007 and 2008).
81. See Lim & Park, supra note 79, at 26.
82. These countries are Australia, Canada, Germany, France, Italy, Japan, Mexico, Turkey, the United Kingdom, the United States, and South Korea. Compare OECD Member Countries, supra note 24, with What is the G-20, supra note 1 (listing G20 member countries).
83. These countries are Austria, Belgium, the Czech Republic, Denmark, Estonia, Finland, Greece, Hungary, Ireland, Luxembourg, the Netherlands, Poland, the Slovak Republic, Slovenia, Portugal, Spain, and Sweden. Compare OECD Member Countries, supra note 24, with The 27 Member Countries of the European Union, Europa, http://europa.eu/about-eu/27-member-countries/index_en.htm [hereinafter EU Member Countries] (last visited Oct. 30, 2011). The European Union is not a member of the OECD, id., but the European Commission has its own delegation in Paris and is allowed to participate in the work of the OECD, Supplementary Protocol No. 1 to the Convention on the Organisation for Economic Co-operation and Development art. 2, Dec. 14, 1960, 12 U.S.T. 1743, 888 U.N.T.S.
driving force between both bodies’ increasingly similar outlook.\textsuperscript{84} Since 2007, the OECD has strengthened its cooperation with six other G20 members.\textsuperscript{85} Such a swift change in membership is noteworthy as the OECD used to be a club of Western countries committed to the furthering of the market-based economy and democracy.\textsuperscript{86} Due to this expansion and enhanced cooperation, all countries of the G20, except for Saudi Arabia and Argentina, are currently strongly involved in the OECD, either as members or through enhanced cooperation agreements. The same argument can be made for the OECD as well, where only six members (Switzerland, New Zealand, Iceland, Chile, Norway, and Israel) are not directly or indirectly represented in the G20 through the European Union. The involvement of the same countries in both bodies is a strong incentive for their growing cooperation.

The OECD’s limited membership is an advantage for its efficiency \textit{vis-à-vis} other international organizations. With only thirty-four relatively likeminded countries as members, the OECD remains a relatively workable and efficient organization. The OECD is quite dependent on G20 members for its budget. OECD members’ financial contributions mirror the size of each member’s economy. The G20 members of the OECD accounted for 72.64\% of the OECD’s total (general) funding in 2011, which could be calculated at up to 96.53\% if one considers that all European Union member states are indirectly also represented at the G20.\textsuperscript{87}
To conclude, several factors explain the strengthening of the relationship between the OECD and the G20. First, the OECD has much to offer to the G20 in terms of experience and knowledge, whereas the G20 can provide a high level of political commitment to the OECD’s agenda thereby increasing the relevance of the OECD within the global economic governance architecture. Second, the active involvement of OECD Secretary-General Angel Gurría has further enhanced their cooperation. Third, the growing similarity in membership of both organizations and the financial dependency of the OECD from the G20 members’ contributions provides another reason for the growing ties between both entities. The remainder of this Article explores this growing cooperation in more detail while considering both the benefits and the risks of stronger ties between both organizations.

IV. THE EVOLVING RELATIONSHIP BETWEEN THE G20 AND THE OECD

A. Outlook of the Relationship

Traditionally, the OECD has been strongly embedded in the network of international organizations. The OECD has identified more than seventy organizations with which it collaborates on different issues. The OECD encounters numerous international organizations and issues a result of the broad and ever-changing agenda the OECD has pursued since its establishment. It cooperates with almost all organizations in a horizontal manner. However, the G20/OECD relationship appears to have a more vertical superordinate outlook. While being very cautious toward other universal international organizations such as the United Nations or the World Trade Organization (WTO), the G20 has taken another approach with regard to the OECD. To a certain extent, the G20 has been able to direct the OECD’s agenda. In this sense, the G20 has established a kind of hierarchical relationship with the OECD. However, the OECD has also been able to influence the G20’s agenda to some extent. As discussed later, the G20 has endorsed the work of the OECD in a growing number of issues.

(0.59%) are the only contributors of the OECD who are not represented in the G20. See OECD Member Countries, supra note 24; Member Countries’ Budget Contributions for 2011, supra note 83; What Is the G-20, supra note 1.


89. See Eccleston et al., supra note 69, at 7–8; Kirton, supra note 73, at 3; cf. de Guttry, supra note 75, 74 (discussing the G7’s hierarchical relationship with the OECD).
areas. These endorsements have resulted in a more global adoption of OECD work and the revitalization of the OECD as a global economic institution. In this sense, the precise relationship between both entities remains blurred.

It is clear that the two organizations are increasingly cooperating. Evidence of the growing cooperation between both entities can be observed in the G20 communiqués which are released at the end of each of the G20 summits. Furthermore, these communiqués signal the growing issues in which the G20 calls for the support of the OECD.

B. The OECD in the G20 Communiqués

1. G20 Finance Meetings

The OECD was not invited to the first G20 Finance ministerials. In the communiqués of the ministerials of Berlin in 1999, Montreal in 2000, Ottawa in 2001, and New Delhi in 2002, no reference to the OECD or its work was made.90 The OECD was referred to for the first time at the end of the meeting of finance ministers and central bank governors in the communiqué of the meeting in Morelia in 2003.91 In this first instance, the OECD and its member countries were asked to address tax evasion. By the next G20 meeting in 2004 in Berlin, the OECD drafted standards on this issue.92 The G20 finance ministers then committed themselves to these OECD standards.93 Moreover, both non-OECD and non-G20 countries were invited to adopt the OECD standards regarding tax evasion.94 This was the first time the OECD performed a real supporting function for the G20. The commitment to tax evasion standards was reaffirmed at the G20’s 2005 Xianghe meeting. At


the Xianghe meeting, the G20 explicitly lauded the efforts of the OECD Global Forum on Taxation in promoting high standards of transparency and the exchange of information among countries for tax purposes.95 Although the meetings of the finance ministers continued, the G20 Finance ministerials did not refer to the OECD again until the 2009 meeting in St. Andrews.96 The OECD was not mentioned in the communiqués of the 2006 meeting in Melbourne, the 2007 meeting in Cape Town, the 2008 meeting in Brazil, nor the 2009 meetings in Horsham and London.97 From 2008 onward, the G20 emerged as a forum for global leaders while the G20 Finance ministerials continued. At the St. Andrews meeting in 2009, the G20 called upon the OECD to provide a joint report on energy subsidies with the International Energy Agency, the Organization of the Petroleum Exporting Countries, and the World Bank.98 Furthermore, the G20 praised the OECD’s Global Forum on Tax Transparency and Exchange of Information for its progress.99 At the 2010 Washington, D.C., meeting, the OECD provided the G20 Finance with the requested report on energy subsidies and the G20 again applauded the work and progress of the Global Forum on Tax Transparency and the Exchange of Information.100

More striking, the final communiqué of the Washington meeting remarked that OECD contributions are invited where appropri-

ate,101 In response to this statement, the OECD started to provide a growing number of contributions on a widening range of issues to the G20. This strongly differed from its earlier, rather limited involvement dealing solely with tax and energy issues. At the 2010 G20 Finance meetings in Busan and Gyengju, the communiqués encouraged the involvement of the OECD in the Framework for Strong, Sustainable, and Balanced Growth.102 Moreover, the G20 praised the Global Forum on Tax Transparency and the Exchange of Information and the report of the OECD on energy subsidies.103

The G20 Finance ministerial in Paris on February 18-19, 2011 assigned the OECD (together with the Financial Stability Board (FSB)) the task of developing common principles in the field of financial services. At this time, the G20 also stated that the work of the OECD on capital flows greatly enhanced the strengthening of the international monetary system.104 The G20 Finance ministerial in Washington, which took place on April 14-15, 2011, praised the ongoing work of the OECD and the FSB in developing common principles on consumer protection in financial services.105 Moreover, the G20 decided at this meeting to maintain the momentum in the fight against global corruption and asked the Global Forum on Tax Transparency and the Exchange of Information to report on ways to improve the effectiveness of exchange of tax information.106

On April 20-21, 2010, the G20’s labor and employment ministers met for the first time in Washington and invited OECD Secretary-

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103. See Gyengju Communiqué, supra note 102, ¶ 9 (affirming support for phasing out fossil fuel subsidies); Busan Communiqué, supra note 102, ¶¶ 4, 9 (affirming support for the Global Forum on Tax Transparency and Exchange of Information and for phasing out fossil fuel subsidies).


106. Id. ¶ 8.
General Angel Gurría to the meeting.\textsuperscript{107} The labor and employment ministers called upon the G20 Leaders to consider the policy recommendations of the ILO and the OECD.\textsuperscript{108} In preparation for the 2011 G20 summit of the leaders, the agriculture ministers of the G20 met on June 22-23, 2011, in Paris. The G20 agriculture ministers acknowledged the policy report on \textit{Price Volatility in Food and Agricultural Markets: Policy Responses} which was drafted jointly by the U.N.’s Food and Agriculture Organization, the OECD, the World Bank Group, the International Fund for Agricultural Development, the U.N. Conference on Trade and Development (UNCTAD), World Food Programme, the WTO, the IMF, the International Food Policy Research Institute, and the U.N.’s High Level Task Force on the Global Food Security Crisis.\textsuperscript{109} The OECD was particularly involved in the coordination and preparation of the report.\textsuperscript{110} This meeting further resulted in the establishment of the Agricultural Market Information System (AMIS) which was designed to enhance the quality, reliability, accuracy, comparability, and timeliness of food market outlook information.\textsuperscript{111} The secretariat of the AMIS will include the OECD as well as other international organizations.\textsuperscript{112}

The growing role of the OECD as a provider of information and supporter of the G20 ministerials is remarkable, especially considering the broadening number of issues the OECD supports. The G20 Leaders’ summit declarations demonstrates this growing role even more clearly.


\textsuperscript{110} See generally \textit{Price Volatility}, supra note 109.


\textsuperscript{112} \textit{Food Price Action Plan}, supra note 109, ¶ 26.
2. G20 Leaders Meetings

The G20 met for the first time at the level of government leaders in Washington in mid-November 2008. At this meeting, the G20 encouraged the OECD to continue its work on the promotion of the Agreement on Exchange of Information on Tax Matters. At the London Summit in April 2009, the G20, on its opening day, made tax havens a priority and encouraged action against non-cooperative tax haven jurisdictions based on a report issued that day by the OECD. From the September 2009 Pittsburgh Summit onward, OECD Secretary-General Angel Gurría, has been invited to the G20 summits, once more indicating the growing interaction between both bodies. At the Pittsburgh Summit, the G20 urged the OECD to further its work on energy subsidies. Moreover, to prevent illicit capital outflow, the G20 called for the adoption of the OECD Anti-bribery Convention by all the G20 members and nonmembers, once more drawing upon the work and expertise of the OECD. The G20 further endorsed OECD assistance in the fields of employment policy, drawing attention to the ILO’s Pittsburgh Summit background report on Protecting People, Promoting Jobs and international trade, which the OECD contributed to. The G20 Leaders encouraged the OECD to continue its work on these matters, thereby further broadening the range of issues in which the OECD is involved.


117. See Pittsburgh Leaders’ Statement, supra note 2, ¶ 24.


At the June 2010 summit in Toronto, the G20 praised the OECD’s recommendations concerning job growth and employment policy. At the same summit, the G20 called upon the OECD to monitor and report on trade and protectionism (in collaboration with the WTO and UNCTAD). In the context of the Framework for Strong, Sustainable, and Balanced Growth, the G20 requested that the OECD support and assess this framework. At the Toronto Summit, the G20 formally announced that it would further draw upon the expertise of the OECD. Recently, at the November 2010 Seoul Summit, the G20 recognized the contributions of the OECD on issues related to the Framework for Strong, Sustainable, and Balanced Growth, free trade, fossil fuel subsidies, and structural reforms. Moreover, the G20 called for the continued support of the OECD in these matters. The G20 further called upon the OECD, together with the FSB, to explore the options available to advance consumer finance protection. Moreover, the G20 asked the OECD to support the Global Marine Environment Protection group in drafting a report on best practices to protect the marine environment.

The main new feature of the Seoul Summit was the emergence of the issue of development on the G20’s agenda. The OECD is providing support in this matter as well. The OECD joined the G20 working group on development and provided support to member countries as they were drafting the G20 Multi-year Action Plan on Development which was adopted in Seoul. The Multi-year Action Plan consists of nine pillars, six of which (domestic resource mobilization, human resource development, food security, trade, investment and job creation, and knowledge sharing) the

121. Id. ¶ 36.
122. Id. ¶ 37.
123. Id. ¶¶ 5, 8, 36–37.
125. See id.
126. Id. ¶ 41.
127. Id. ¶ 65.
129. See id. at 5, 10, 15.
OECD has been explicitly asked to contribute to. However, the OECD will also provide input regarding the other three pillars (infrastructure, financial inclusion, and growth with resilience).

The foregoing amply demonstrates the quickly evolving relationship between the G20 and the OECD. Although the broad involvement of the OECD in the G20’s work is relatively recently, it has steeply risen. This indicates that the G20 has a strong need for, and is increasingly drawing upon, the expertise of the OECD. The involvement of the OECD is strongly linked to the G20’s evolution. As the G20 gradually moves from being a crisis committee to a global steering committee, the issues it addresses will shift accordingly. Indeed, after initially dealing with the single issue of organizing an urgent international coordinated response to constrain the negative effects of the global financial crisis, the G20’s issue coverage has expanded to a diverse set of more structural global issues. The OECD’s increasing role in relation to the G20 is partly a result of the OECD’s experience with many of the issues the G20 is now focusing on. The G20 ‘communiqués’ illustrate that the OECD is progressively performing a secretarial function for the G20.

C. Positive Implications of the Changing Relationship

The growing relationship between the OECD and G20 has positive implications for both organizations. The main positive implication of the changing relationship is that the growing cooperation between the two entities provides an answer to the needs of both the OECD and the G20. On one hand, the G20 cannot replicate, but needs, the expertise and the work of the OECD. On the other hand, the OECD has failed to attract the high-level attention of the G20 summits; attention it needs to remain relevant.

First, the G20 found a solution for its lack of secretariat and knowledge pool in the OECD. Nonetheless, the G20’s emergence as a prime discussion forum for global economic issues created some problems for the OECD. The rise of yet another international body dealing with global economic issues fueled the OECD’s fears of becoming completely obsolete. However, such fears

131. See Cooper, supra note 60, at 757; Padoan, supra note 65, at 148.
133. See Eccleston et al., supra note 69, at 4; see also Woodward, supra note 20, at 234 (discussing the competition that the OECD faces from the G20).
have largely been unrealized. In order to become a real competitor to a well-established knowledge institution such as the OECD, the G20 would require a structural modification and the establishment of some kind of permanent working secretariat. The G20 has stated that it is not looking for such an expansion. Moreover, the G20 (and previously the G7) has always reiterated that it is not looking to replace other international organizations, but is rather looking to cooperate with them. Notably, the French president, Nicolas Sarkozy, has recently voiced the need to set up a separate G20 secretariat. It is still unclear whether he would like to see the establishment of a separate secretariat to the G20, which the organization has iterated on several occasions as being undesirable, or whether he seeks to draw further upon the expertise of existing organizations, in particular the OECD. Other proposals to address the G20’s lack of a secretariat have been voiced as well. One author, Barry Carin, has argued in favor of the establishment of a G20 “non-secretariat.” This role would consist of a temporary secretariat, consisting of officials originating from a three-year presidency troika. The non-secretariat would relocate every year to the presiding country. It is unclear if this idea is a feasible one. Even under this proposal, there could be an important role for the OECD, which would be called upon to provide support and intellectual background to the functioning of the non-secretariat.

Second, the OECD has been able to augment its influence by increasing its ties with the G20. Whereas before, the OECD was unable to enforce its standards outside of its membership, the G20 has provided high-level political attention and commitment to the OECD’s agenda. In this sense, the OECD has changed from

134. See G20 History, supra note 3, at 28; cf. Beeson & Bell, supra note 6, at 77 (discussing why the G20 does not need a secretariat).
135. Cf. G20, supra note 3, at 27–28 (stating that the G20’s mandate is to facilitate dialogue, not to make decisions).
138. Id. at 281.
139. Id. at 282.
140. Id. at 281–82.
141. See also Woodward, supra note 20, at 238 (discussing OECD constraints).
142. See Eccleston et al., supra note 69, at 3 (discussing the G20’s focus on global financial governance and ability to provide political authority).
The OECD and the G20  

a political forum to a more analytical support organization.\textsuperscript{143} The recent surge in global attention on tax havens is a prime example of this evolving relationship. While tax havens had been on the OECD’s agenda since 1998,\textsuperscript{144} the international community had not made the issue a strong priority.\textsuperscript{145} In the wake of the 2008 financial crisis, the G20 responded firmly and added tax havens as one of the issues which should be addressed in order to prevent further crises.\textsuperscript{146} As one author has noted, “[t]he G20 endorsement of the OECD’s position on tax havens has elevated this issue to the center of attention in global tax policy matters.”\textsuperscript{147} As a result of the G20’s endorsement of the OECD’s position, the number of countries signing tax information exchange agreements rose steeply. Whereas only forty-seven agreements were signed through 2008, the political endorsement of the G20 resulted in 487 signed tax information exchange agreements by September 6, 2011.\textsuperscript{148} The G20’s endorsement allowed the OECD to advance its agenda.\textsuperscript{149} At the same time, the G20 has requested that the OECD deliver reports and monitor progress on the issues in question,\textsuperscript{150} further enhancing the capabilities of the OECD in the matter. The mutual reinforcement of both organizations’ agendas is certainly an important benefit of their stronger cooperation.

D. Problems and Concerns of the Changing Relationship

The evolving relationship between the G20 and the OECD raises some important concerns as well. Most importantly, the growing number of contributions by the OECD and its secretariat to the

\begin{footnotesize}
\textsuperscript{143} See Wolfe, supra note 11, at 40.  
\textsuperscript{144} See Green, supra note 8, at 257. For more information regarding the OECD and tax havens, see generally William Brittain-Catlin, Offshore: The Dark Side of the Economy (2005) (discussing tax haven operations and concerns); Ronan Palan et al., Tax Havens (2010) (discussing the role and function of tax havens in the world); Reuven S. Avi-Yonah, The OECD Harmful Tax Competition Report: A Retrospective After a Decade, 34 Brooklyn J. Int’l L. 783 (2009) (analyzing the OECD’s efforts to eliminate tax havens).  
\textsuperscript{146} Global Plan for Recovery, supra note 115, ¶ 11.  
\textsuperscript{147} Christians, supra note 145, at 26.  
\textsuperscript{149} See Christians, supra note 145, at 26.  
\textsuperscript{150} See Gurría, supra note 7.
\end{footnotesize}
G20 has shifted the OECD’s main mandate. The OECD is not mandated to support the G20, although its contributions to the G20 are taking up a growing amount of its time and resources. While the high level of endorsement of the OECD’s work by the G20 provides the OECD with more certainty regarding budgetary contributions, this growing emphasis on G20 work is especially problematic for the OECD’s non-G20 members, who seem unsatisfied with this evolution. The time and resources devoted by the OECD to the G20 are covered by the OECD’s budget which is sponsored in part by non-G20 OECD members. Moreover, the G20/OECD rapprochement was never formally recognized by the OECD Council.

A related and important concern emerging from the OECD’s and the G20’s growing cooperation has to do with the legitimacy of the OECD. The assignments delegated by the G20 to the OECD bypass the OECD’s formal decision-making process. Consequently, an important part of the OECD’s work is no longer under the scrutiny of its complete membership. This issue is again of particular relevance to the non-G20 OECD members. The OECD has already once acted against the interests of some of its members while carrying out a G20 assignment. At the first G20 Leaders summit, the G20 asked the OECD to draft a report of tax havens, which the OECD presented for the April 2009 London Summit. The report grouped countries into a white list, a grey list, and a black list based on their implementation of the “internationally agreed tax standard.” The grey list included some of the OECD’s members although it spared some G20 members. For

151. See Eccleston et al., supra note 69, at 8–9.
152. See Following G20 OECD Delivers on Tax Pledge, ORG. FOR ECON. CO-OPERATION & DEV. (Apr. 2, 2009), http://www.oecd.org/document/57/0,3343,en_2649_37427_42496569_1_1_1,00.html (discussing the OECD’s development of a progress report for the G20); see also OECD Progress Report, supra note 115.
153. See Dries Lesage, The G20 and Tax Havens 4 (June 18, 2010), available at http://www.g20.utoronto.ca/biblio/lesage-tax-havens.pdf (conference paper preliminary draft); see also OECD Progress Report, supra note 115. White list countries were those that substantially implemented the "internationally agreed tax standard" by concluding at least twelve bilateral agreements based on the OECD standard. Lesage, supra, at 5; see also OECD Progress Report, supra note 115. Grey list countries were those that had committed to the standard, but had not yet substantially implemented it. Lesage, supra, at 5; see also OECD Progress Report, supra note 115. Black list countries were those that had not committed to the standard. Lesage, supra, at 5; see also OECD Progress Report, supra note 115.
154. See OECD Progress Report, supra note 115 (list of tax haven countries); OECD Member Countries, supra note 24; What Is the G-20, supra note 1 (list of G20 member countries). The report identified countries failing to implement the tax information exchange agreement standards, but who were making good progress and were broadly expected to do so in the near future. See OECD Progress Report, supra note 115. Before the G20
example, OECD members Switzerland, Belgium, Austria, and Luxembourg were included on the list, although they had already announced that they would adhere to the OECD’s standards.\(^{155}\) These countries were consequently displeased, raising important questions about the G20’s delegation of assignments to the OECD when these assignments can obstruct the OECD’s functioning and increase the dissatisfaction of OECD members. Nonetheless, by the September 2009 Pittsburgh Summit, these nations were already cleared from the grey list. The example of the tax havens demonstrates that the increasing cooperation of both organizations is not without risks.

OECD Secretary-General Angel Gurría has cast a different view on the organizations’ relationship, declaring that the growing collaboration between the OECD and the G20 benefits the non-G20 OECD members, as the growing involvement of the OECD within the G20 provides the non-G20 OECD members with more influence over, and better information on, the G20.\(^{156}\) To date it is unclear whether this really is the case. Paradoxically, if Mr. Gurría’s assertions proved to be true, the legitimacy of the G20’s decisions could be called into question. The influence of non-G20 OECD members over the G20 could weaken the G20’s claim that it includes only systemically relevant countries and could lead to resentment of other non-G20 members. These non-G20 members will be unhappy with the privileged status of the OECD and the OECD members. This is particularly problematic when the G20 brings and endorses the OECD’s agenda or the OECD’s work to a broad global audience. In these instances, the principles and work drafted by the OECD, with its limited and more exclusive membership, are being imposed upon many countries and stakeholders that did not take part in their drafting. As one author has argued, “[t]he respective institutional capacities and roles of the G20 and the OECD suggest that the latter has a far greater role to play in developing tax policy ideas and bringing them to the consensus positions, while the role of the former is in effect to syndicate those positions to a larger audience.”\(^{157}\) Another author, studying the OECD’s work on tax havens, has provided some useful insights on the problems which might arise out of their growing cooperation.

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In the matter of tax havens, the OECD did not take into account the preferences of non-G20 member countries, in particular the preferences of the targeted countries (the small tax haven islands).\footnote{Kimberley A. Carlson, When Cows Have Wings: An Analysis of the OECD’s Tax Haven Work as it Relates to Globalization, Sovereignty and Privacy, 35 J. MARSHALL L. REV. 163, 178–80 (2002).} Thus, the author concludes, the OECD can never be the right forum to discuss this kind of global problem.\footnote{Id. at 186.} The G20 should consequently be wary of endorsing the OECD’s position to a global audience.

The further expansion of the OECD could provide a solution to this problem. However, the expansion of the OECD is not without risks. Adding more members, in particular less “like-minded” members, threatens the functioning and possibly even the raison d’être of the OECD. Promoting and gaining consensus on best practices has always been one of the OECD’s major goals. This goal may be obstructed by the further expansion of the OECD as the like-mindedness of its members would decline.\footnote{See Woodward, supra note 20, at 237. The OECD became more pragmatic in its accession requirements as it needed to increase its membership to remain a relevant economic institution. See Carroll & Kellow, supra note 22, at 121; discussion supra Part I.} Admittedly, the accession of less like-minded autocratic regimes, such as Spain and Portugal in 1961, and Greece in 1967, did not obstruct the functioning of the organization.\footnote{See Carroll & Kellow, supra note 22, at 123.} Still, the question arises whether bringing in Brazil, Russia, India, or China would be of an entirely different scale and challenge to the organization.

In the current OECD approach, individual accession roadmaps for countries seeking membership help to bring new members in line. The accession roadmap describes the complete process of accession: it lists the policy reviews to be undertaken, the committees to be consulted, and it stipulates the steps that the candidate country should take in order to conclude the process.\footnote{See generally Org. for Econ. Co-operation & Dev., A General Procedure for Future Accessions, OECD Doc. C(2007)31/FINAL (May 16, 2007) (outlining the accession process).} The accession roadmaps ensure that new members adhere to, and meet, OECD standards and guidelines.\footnote{See OECD Enlargement, Org. for Econ. Co-operation & Dev., http://www.oecd.org/document/42/0,3343,en_2649_201185_38598698_1_1_1,00.html (last visited Oct. 30, 2011).} These standards and guidelines are mainly related to the promotion of economic devel-
opment and trade. Although the Convention on the Organisation for Economic Co-operation and Development does not refer to democracy as a prerequisite for membership, the organization’s initial members shared not only a prosperous economy but were also functioning democracies. The current OECD membership still shares such a commitment to democracy. Any OECD expansion strategy will have to seriously consider this important element.

V. CONCLUDING REMARKS

The OECD, traditionally one of the most important economic institutions, was fiercely challenged by the acquisition of some of its functions by other international organizations. The declining economic power of its membership over the last decades highlighted this challenge. To avoid losing its relevance within the global economic governance architecture, the OECD overcame its initial resistance to the emergence of the G20. Increasingly, it provides intellectual support and operational capabilities to the G20. This support, and the support of other international organizations, is warmly welcomed by the G20, an international forum which itself lacks such capabilities. The OECD has an enormous pool of knowledge and expertise in many different issue areas and the G20, as a global playmaker, increasingly draws from this pool. Currently, the OECD supports the G20 on matters related to bribery, development, employment, environment and energy, financial sector reform, green growth, the international monetary system, investment and trade, taxation, and consumer protection. Accordingly, G20 communiqués increasingly refer to, and call upon, the OECD. The OECD’s Secretary-General Angel Gurría has been invited to recent G20 summits. These developments clearly show the growing cooperation between both entities. As a forum for the creation and dissemination of best practices, the OECD is particularly well-placed for such contributions. Historically, it already supported the functioning of the G7/G8. Moreover the G20 and the OECD have an increasingly similar membership outlook. The shared need for both the OECD and the G7 to include emerging

164. See id.; see also Convention on the OECD, supra note 8, arts. 1–2 (stating the OECD’s mandate to promote global economic development).

165. See generally Convention on the OECD, supra note 8.

economies in their debates has driven the enlargement of the membership of both the OECD and the evolution from G7 to G8 to G20.

The changing relationship between the OECD and the G20 has positive and negative implications for both entities. The OECD provides numerous intellectual contributions to the G20. In turn, the G20’s endorsement of the OECD’s work has increased the relevance of the OECD within the global economic governance architecture. As the G20 calls upon the OECD to provide detailed support on a broadening variety of issues, the OECD can further expand its knowledge pool as well. An important benefit of their evolving relationship is the mutual reinforcement of both entities’ agendas. However, important questions arise as well. Non-G20 OECD members are concerned that the G20 assignments bypass the OECD’s formal rules and decision-making procedures. Moreover, at the request of the G20, the OECD has acted against the interests of some of its members on the issue of tax havens. Many G20 members are not convinced of the necessity of the growing involvement of the OECD. Given the very recent and on-going nature of developments in the OECD and G20 relationship, this Article does not intend to provide a final conclusion on the matter. It is clear that these developments deserve to be monitored closely and that more research is necessary.