

Why engagement with Indo-Pacific region is important for OECD, Europe's future

DISCLAIMER: All opinions in this column reflect the views of the author(s), not of Euractiv Media network.



Minister of Foreign Affairs of Japan Yoko Kamikawa, 23 February 2024. [EPA-EFE/CAPL/CSS LEMOS]

 *Euractiv is part of the Trust Project >>>*

Sixty years after its accession to the OECD, Japan sees an active role for the organisation in Southeast Asia, where bolstering sustainable growth standards will benefit the economies and resilience of Europe, Southeast Asia and beyond, writes Yoko Kamikawa.

Yoko Kamikawa is the foreign affairs minister of Japan.

On the 60th anniversary of Japan's accession to the Organisation for Economic Co-operation and Development (OECD), it is a great honour for Japan to chair this year's OECD Ministerial Council Meeting (MCM).

Japan's primary focus at the MCM is to demonstrate the renewed importance of the OECD's role in the face of serious challenges in the current international climate.

In doing so, Japan would like to emphasise the OECD's significant role in reaching out to the countries in the Indo-Pacific region to share good policy practices and seek better common rules for realising sustainable and inclusive growth.

For over half a century, the OECD has played a pivotal role in developing rules and standards to promote economic growth and expand free, multilateral, and non-discriminatory trade.

During the Cold War, the OECD was a rallying point for Western countries that upheld a liberal economic order. Most recently, the OECD has been a key driver in areas such as trade, freedom of investment, international taxation, and promoting Responsible Business Conduct (RBC) worldwide, forming a foundation for sustainable development from both business and labour perspectives.

The OECD rules and standards are considered the benchmark of a safe and predictable business environment, leading to increased business activities in the OECD member states.

Our expectations for the OECD are even greater today. The OECD's unique capacity to promote rule-making through objective analysis backed by numerous statistical data can help countries reach common ground on divisive global issues.

This bridge-building role of the OECD is especially important for countries to overcome differences of opinions and interests in trade, climate change, and the environment, where both emerging countries, also known as the Global South, and developed countries often find it difficult to reach common ground because of lack of objective data.

The OECD's expert analysis and policy proposals provide a fair solution for all countries depending on individual countries' backgrounds.

Moreover, it provides a global platform for sharing relevant data and best policy practices among participating countries.

The OECD's Inclusive Forum on Carbon Mitigation Approaches (IFCMA) is a good example of such global cooperation where both OECD member and non-member countries work toward a common goal of achieving net-zero emissions using diverse pathways.

More specifically, the goal of the IFCMA is to promote global emissions-reduction efforts through the better sharing of data and information, evidence-based mutual learning, and inclusive multilateral dialogue. We must bolster multilateral cooperation by drawing on the OECD's strengths to address global challenges.

The rules and standards of the OECD would become even more impactful when countries across the world abide by them.

Today, the OECD itself is facing a stark challenge in sustaining its relevance and influence in the global economy, especially as emerging non-member countries exert greater economic influence.

This has been evidenced by the fact that the combined GDP of the OECD member countries dropped from approximately 80% of global GDP in 2000 to 60% in 2020. Japan sees that the key to this challenge is the OECD's greater engagement with Southeast Asia, one of the world's most dynamic growth centres.

The organisation has been aware of the importance of incorporating the views of emerging countries, especially Southeast Asian countries.

In 2014, Japan led the launch of the OECD's Southeast Asia Regional Programme (SEARP) to strengthen its engagement with the region. As the fruit of this effort, this year, we have observed significant developments—in February, the OECD opened the accession review for Indonesia, and Thailand similarly expressed its intention to join the OECD.

Both Indonesia and Thailand are expressing their enthusiasm for becoming an OECD member, a hallmark of an advanced economy, and are willing to adopt the OECD rules and standards.

It is also encouraging that Singapore and the ASEAN Secretariat respectively signed an MOU with the OECD in 2022. This development would greatly help enhance the relevance of the OECD rules and standards.

This year's MCM will be a historic opportunity to expand the OECD standards—the lynchpin of prosperity in Europe and beyond—to Southeast Asia.

The promotion of the OECD standards in the region would not only help European countries expand their business activities in the region but also contribute to addressing the imminent challenges for international society.

On this momentous occasion, Japan, as one of only four OECD members from the Asia-Pacific, is willing to work closely with the OECD and Southeast Asian countries to create a conducive environment for sustainable global growth.

Subscribe now to our newsletter **EU Elections Decoded**

Subscribe

© 1999 - 2024 | Efficacité et Transparence des Acteurs Européens. EURACTIV MEDIA NETWORK BV. | [Terms and Conditions](#) | [Cookie Policy](#) | [Privacy Policy](#) | [Contact us](#)

