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## **Message from the OECD Secretary-General Donald J. Johnston**

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### ***HEALTH OF NATIONS***

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This year's edition of the OECD Forum will address several aspects of the "Health of Nations", namely the health of our citizens, the health of the economy and the health of multilateral co-operation. A healthy nation is one that creates for its citizens economic prosperity and social cohesion, thanks to sound and effective systems of governance. And thus, the key to the health of nations is how we govern our nations.

Thanks in part to increasingly efficient systems of health care, the health of OECD populations has improved dramatically. We now live much longer than in the past, infant mortality is much lower, and the level of premature death has been cut sharply. And as good health is a prerequisite for participation in economic, social and political life, this has underpinned the unprecedented rise in the quality of life over the last half century.

But, over the last three decades, health spending has doubled its share of total national spending (to 9%) in the OECD area. This is set to rise even further as an increasing share of older persons in our populations will increase demand for health care in the years ahead. OECD analysis indicates however that, as we face the challenge of rising health costs, there is much to be gained by improving the governance and efficiency of our health systems.

Many emerging and developing economies, particularly those which have experienced rapid economic development, have seen rapid improvements in the health of their populations. Others are being ravaged by infectious diseases and the dramatic effects of extreme poverty. This is why three of the eight Millennium Development Goals are focussed directly on improving health conditions – namely, reducing child mortality, improving maternal health and combating HIV/AIDS, malaria and other diseases. Managing these global health challenges, notably communicable diseases, requires more transparency and a willingness to be open to international co-operation. And it takes more than money and global partnerships for development to meet these challenges. Improving national systems of governance remains key through providing the infrastructure essential to providing easy access for the delivery of necessary treatments to millions of afflicted

peoples in the developing world.

Turning to the health of national economies, financial crises and scandals have underlined even further the importance of sound corporate governance for economic growth and development. This is why OECD Ministers called for an assessment and review of the OECD Principles of Corporate Governance building upon recent experience, not only in the OECD area, but also in non-OECD countries. These principals are one of the 12 key standards for international financial stability of the Financial Stability Forum. Striving for greater efficiency of the public sector is an essential element for enhancing the efficiency of markets and long-term economic, social and environmental development.

A well-functioning multilateral system is also central to the health of nations. Effective governance in the multilateral system requires more of both 'give and take' between all parties. There is no more striking example than multilateral trade where it is crucially important to create new momentum in the Doha Development Agenda by addressing the concerns of developing countries.

The work of the OECD demonstrates that there is much to be learned from international comparisons of performance and investigating what methods of governance work best and under what circumstances. The OECD Forum plays an important role in that respect by bringing together business and labour leaders, civil society personalities, government ministers and leaders of international organisations to pool their experiences and discuss the key issues of the 21st century.

Individual citizens are the centre of health care systems, as well as being the driving force for economic growth and development in economies which are increasingly knowledge-based and dependent on human capital. The health of nations can only be built on effective governance that recognises this and that is based on strong partnerships between all stakeholders. I look forward to welcoming you to OECD Forum 2004, "Health of Nations".

**Donald J. Johnston**