**(Non)-Cooperation vis-à-vis the Organization for Economic Co-operation and Development
Analysis of Israeli Participation in the OECD**

**Abstract**

In view of the strategic importance of the OECD, Israel invested considerable monetary and human resources in joining the organization in late 2010 and maintaining its membership since then. Three official permanent delegations to the OECD and six years’ elapsed time, however, reveal problematic manifestations that point to suboptimal fulfillment of the country’s potential vis-à-vis the OECD. Externally, the (non-permanent) Israeli representatives present an inconsistent policy front that inflicts economic, professional, and image damage on Israel and on the organization. Internally, there are visible indications of mismanagement of knowledge and resources due to the lack of a mechanism that would promote interministerial communication concerning Israeli participation in the OECD. The policy paper that follows was presented as part of a master’s degree program in public policy at the Hebrew University. It urges the Director General of the Office of the Prime Minister to establish an interministerial communication mechanism that would govern the approval of visits by government representatives to meetings of OECD entities. The proposal that follows is inexpensive, maintains intra-ministerial professional autonomy, and unlikely to attract serious political/organizational objections.

1. **Israeli participation in the OECD: a growth locomotive for the economy or an aerial train that has run off the rails?**

In recent years, the name of the OECD has festooned innumerable government reports, public-policy studies, and foreign and Israeli news items. Whenever a comparative assessment of Israel’s economic and social situation is needed, decision-makers and policy analysts seem in a hurry to base themselves on this organization’s findings and recommendations.[[1]](#footnote-1) OECD studies are treated as a gold standard and membership in the organization is thought to confer a prestige that should be aspired to and safeguarded. The organization’s thirty-five member states account for 63% of global GDP, 75% of global trade, 95% of aid for international development, more than 50% of energy consumption, and 18% of the world’s population.

Admittedly, the OECD is above all an international professional forum for discussion and coordination of economic and social policy; as such, its activity focuses on exchange of information and analytical tools. Its discussions, however, may end with operative decisions, as in a decision by the member states to adopt a certain code of conduct (e.g., pertaining to foreign investments and capital movements), to commit to multilateral covenants on cooperation (e.g., against double taxation or for exchange of information against offshore tax evaders[[2]](#footnote-2)), or to help emerging markets to develop.[[3]](#footnote-3) Furthermore, OECD membership sends investors a signal about the strength of a member state’s economy and its compliance with strict international standards. This, in turn, affects the countries’ credit ratings and may underpin trade partnerships that would abet stronger competition and growth.[[4]](#footnote-4)

It is for good reason that Israel invested lavishly to join the “rich countries’ club” in late 2010.[[5]](#footnote-5) Each year since then, too, Israel has invested sizable sums to maintain its membership, including three official permanent missions: of the Ministry of Foreign Affairs,[[6]](#footnote-6) the Ministry of the Economy (the Economic Mission to the OECD), and the Ministry of Finance.[[7]](#footnote-7)

Although this tripartite structure is unexceptional by international standards, a painstaking view detects vast differences between the Israeli mission and its counterparts. Thus, in 2015 Israel was the OECD member state that posted the largest number of official (non-permanent) representatives to the organization’s discussions. Internal data from the Israel Ministry of Finance show that Israel sent 1,307 official envoys to 637 meetings of twenty-seven OECD committees that year, almost twice as many as did more important and longer-standing member states such as Japan, Canada, and the UK. Only the organization’s founding members, the United States and Turkey, posted more.[[8]](#footnote-8)

This analysis would not be complete without weighting the number of committees and investigative bodies in which Israel had a presence. As the figure below shows, whereas the Swedish representatives attended more than 200 committee meetings and the Americans and the Japanese did so in 250 or so—the Israeli representatives lagged far behind, deploying for only twenty-seven committees and investigative bodies.

**Figure 1: Participation of (non-permanent) government representatives in OECD committee meetings in 2015**

Atop the columns: no. of committee meetings

In parentheses: no. of envoys

U.S. (1900)
Turkey (1800)
Israel (1307)
Sweden (1,300)
Japan (757)
Canada (700)
UK (700)

Source: Weighted data of the various missions, based on each permanent mission’s official Web site.[[9]](#footnote-9)

1. **Israeli activity vis-à-vis the OECD: squandered potential**

The implications of this proliferation of non-permanent government delegates to OECD meetings transcend redundancy and concern about unnecessary and expensive travel at government expense. A lengthy series of interviews that I conducted with key players from various government ministries (Economy, Finance, Foreign Affairs, Education, Health, and Environmental Protection) who represented Israel in OECD meetings in 2010–2016, along with thorough review of internal government correspondence and reports, yields a troubling tableau: Israeli participation often involves a cacophony of voices and articulation of fragmented, incoherent, and even contradictory policies.

The external damage is threefold: *economic,* possibly including contradictory undertakings of economic importance or the opposite: non-participation in initiatives and processes of change that might benefit the Israeli economy; *professional,* relating to direct and indirect impairment of the work of the OECD, which bases its reports on information from government representatives and disseminate recommendations that serve a broad ambit of countries, international organizations, and research institutes (farther on, even the organization’s reputation and international status may sustain harm)[[10]](#footnote-10); and, finally, *image,* including concern about a spillover effect that would translate into a blow to Israel’s overall international image in diverse forums.

In the internal government context, the effects of suboptimal knowledge management are visible in two main stages. The *first* is when a specific ministry formulates the government’s stance on a matter to be discussed by an OECD body before the mission attends the meeting. This situation even creates the possibility of a “broken” policy front and “surprises” in the course of the deliberations. The *second* stage is in the proceedings that lead to the decision to post a government representative to the organization.

**Figure 2: Squandering the potential of Israeli participation in the OECD**

Israeli participation in the OECD: Suboptimal fulfillment of potential

|  |  |  |
| --- | --- | --- |
| External effects |  | Internal effects |
| Economic | Professional | Image |  | Knowledge management | Resource management |

1. **Defining the problem**

Due to the lack of a mechanism that would encourage inter-ministerial communication in regard to government activity vis-à-vis the OECD, the potential of Israel’s participation in the organization is inadequately fulfilled.

Today, each ministry decides independently whether to post non-permanent envoys to OECD meetings without communicating with other relevant offices that may send their own representatives or whose work is tangential to the relevant committee’s professional purview. The expanded steering committee that was established under Government Resolution 2231 to coordinate government actions in reference to ongoing activity vis-à-vis the OECD failed to create a permanent and systematic mechanism for interministerial communication.[[11]](#footnote-11)

1. **Alternative solutions and evaluation**

Israel is not the only country that is wrestling with how to fulfill the potential of its participation in the OECD. It was preceded by member states that chose three main levers of change in order to maximize their activity vis-à-vis the organization: structural,[[12]](#footnote-12) educational and training,[[13]](#footnote-13) and technological.[[14]](#footnote-14)

This paper offers three alternative ways of better fulfilling the potential of Israel’s participation in the OECD. In the first, the expanded steering committee is restructured and replaced with an interministerial OECD forum led by the Office of the Prime Minister. The second creates a technological mechanism: a digital forum that requires intra-governmental communication before government representatives can attend OECD meetings. The third—known as the “Frequent Flyer”—establishes an intra-ministerial communication mechanism among the various governmental travel committees.

After examining the material and the technical differences among the alternatives, the complex map of the players involved, and the array of organizational forces in the policy field, I selected the following criteria: effectiveness, organizational and political applicability, cost, external effects, technical applicability, and preservation of government ministries’ autonomy. The policy recommendation that I chose was based on a weighted additive index, in which the alternatives were ranked by criteria weighted by importance as described in Table 3. To complete the picture, each criterion was assessed by means of various parameters that were also ranked on the basis of internal weights.

**Table 3. Detailed matrix of alternatives**

|  |  |  |
| --- | --- | --- |
| **Criterion** | **Internal distribution** | **Total weight** |
| **Effectiveness** |  |  | **30%** |
| **Externally** **(20%)** | **Internally** **(10%)** |
| **Professional**— 5% | **Knowledge mgmt.**—5% |
| **Economic—**5% | **Resource mgmt.**—5% |
| **Intl. image** (10%) |  |
| —in OECD (5%) |
| —in the intl. economic scene, including other intl. orgs. |
| **Organizational / political applicability (intra-governmental)** | PM’s Office: 40% | Finance 20% | Economy 15% | Foreign 10% | Other govt. 15% | **25%** |
| **Financial cost** | **Establishing the mechanism** (short-term)—10% | **Maintaining the mechanism** (long-term: ongoing annual cost)—10% |
| **External effects** | **Enhancing interministerial cooperation** (3.33%) | **10%** |
| **Professionalization** (3.33%) |
| **Transparency** (3.33%) |
| **Technical applicability** | **Complexity of implementation** (5%) | **10%** |
| **Time frame for implementation** (5%) |  |
| **Maintaining ministries’ professional autonomy** |  | **5%** |
| **Weighting** |  | **100%** |

The ranking was made on a 1–5 scale. Each criterion received a weighted score; the alternative that received the highest weighted tally of criteria in its additive score was the “Frequent Flyer.”

**Table 4: Weighting the alternatives**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Criterion** | **Weight** | **Frequent Flyer** | **Digital Forum** | **OECD Forum** |
| **Effectiveness** | 30% | 3.5 | **4.5** | 3.983 |
| **Organizational / political applicability** | 25% | **4.87** | 3.8 | 3.85 |
| **Financial cost** | 20% | 3.667 | 1.333 | **4.667** |
| **External effects** | 10% | 4 | **4.333** | 3 |
| **Technical applicability** | 10% | 4 | 2 | **4.5** |
| **Maintaining autonomy** | 5% | **5** | 4 | 2 |
| **Weighting** | **100%** | **4.05** | **3.399** | **3.67** |

1. **The recommended policy: the “Frequent Flyer”**

Today, every trip by a (non-permanent) government representative to the OECD is approved by a ministerial travel committee staffed by various professionals, an accountant from the Ministry of Finance, and human-resources officials. Before the committee meets, it receives a digital application form.

Under the recommended alternative, a mechanism for communication that has been obstructed thus far will be established among the various governmental travel committees. When such a committee discusses whether to approve or reject a request to visit the OECD, it will have to determine similar ministerial committees have received similar requests. An answer in the affirmative, while not necessarily dooming the application rejection, must be included among the committee’s considerations and appear explicitly in its decision. Thus, applicants will know who is about to visit the OECD about a month before the meeting—information that they lack today. In addition, those whose applications are rejected will be able to contact the representatives who are going and present them with information or messages that are important to their ministries.

The travel committee should publish on a monthly basis, on a dedicated Web site, the names of the representatives, the committees, and the dates of meetings that are approved for the coming month, thus making it possible to manage information both retrospectively and going forward.

Furthermore, to encourage intra-ministerial communication, the following clause should be added to the application form:

Are representatives of other government ministries penciled in to take part in the discussion (either as finally approved or as under review for approval)? If the answer is yes, why should your trip be approved as well?

Adding this clause will not derogate from the travel committee’s responsibilities; instead, it will encourage government representatives to communicate with each other. Thus, the policy recommendation will directly mobilize the main objects of the policy—the government’s non-permanent envoys to the OECD—and will not talk over their heads. Furthermore, the proposed policy will revamp the way the travel committee thinks when it makes governmental decision, mandating a multisystemic point of view that transcends narrow ministerial boundaries.

The proposed policy also innovates by enhancing transparency in three main respects: among the various government travel committees, which thus far have been oblivious to each other’s doings; among the applicants, who will know up front about other government envoys who are slated to participate in the discussion in question; and between the government sector and the public at large, which will be apprised on a monthly basis of whom the state is about to post to OECD meetings, be able to keep track of previous travel, and know whom to contact about concrete matters.

The salient advantages the proposed policy recommendation are its organizational / political sophistication and its maintenance of the ministries’ professional autonomy. It is also highly effective and relatively inexpensive to apply. Conversely, its potential drawbacks concern the fulfillment of internal potential (information management). Even so, examination of this recommendation under various scenarios by means of sensitivity analyses shows that it still outperforms the alternatives.

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3. Shapira, A., Even, E., Haymin-Reish, N., and Rangwirtz, Y, “Israel joins the OECD,” Israel Democracy Institute (retrieved September 19, 2016); Besok, M., “After 15 years of effort : Israel is admitted to the OECD; Steinitz: ‘A badge of honor for the Israeli economy” (Heb.), <http://www.themarker.com/misc/1.576231>(retrieved September 26, 2016); Klein, Z., “Netanyahu: Israel’s joining the OECD is of strategic importance,” *Globes,* <http://www.globes.co.il/news/article.aspx?did=844744> (retrieved September 25, 2016). [↑](#footnote-ref-3)
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5. Government Resolution 2231, “Israel’s Joining the OECD (Organization for Economic Co-operation and Development) and Ratification of Agreements between Israel and the OECD,” August 22, 2010, <http://www.pmo.gov.il/Secretary/GovDecisions/2010/Pages/des2231.aspx> (retrieved September 25, 2015). [↑](#footnote-ref-5)
6. Government Resolution 1925, “Appointment of Israel Ambassador to the OECD and UNESCO and Determining Carmel Shama-Hacohen’s Term of Service” (Heb.), <http://www.pmo.gov.il/Secretary/GovDecisions/2014/Pages/des1925.aspx> (retrieved September 15, 2016). [↑](#footnote-ref-6)
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9. <http://www.oecd.dt.mfa.gov.tr/images/TemsilcilikOzel/frqd4xyo3pags3ruhkwu34nbTurkey%20brochure_ENG_visa4.pdf> ; United States Department of State and the Broadcasting Board of Governors Office of Inspector General, **“**Inspection of the U.S. Mission to the Organization for Economic Cooperation and Development,**”** Report Number ISP-I-12-27 (May 2012)<https://oig.state.gov/system/files/191914.pdf> (September 24, 2016); United States Department of State and the Broadcasting Board of Governors Office of Inspector General,"Report of Inspection the U.S. Mission to the Organization for Economic Cooperation and Development,***"*** Report Number ISP-I-0-09 (Feb 2005), <https://oig.state.gov/system/files/125616.pdf> (September 24, 2016). See also Web site of the Canadian permanent mission to the OECD, <http://www.oecd.dt.mfa.gov.tr/images/TemsilcilikOzel/frqd4xyo3pags3ruhkwu34nbTurkey%20brochure_ENG_visa4.pdf> ; United States Department of State and the Broadcasting Board of Governors Office of Inspector General, *"Inspection of the U.S. Mission to the Organization for Economic Cooperation and Development,"*Report Number ISP-I-12-27 (May 2012)<https://oig.state.gov/system/files/191914.pdf>(September 24, 2016); United States Department of State and the Broadcasting Board of Governors Office of Inspector General,"Report of Inspection the U.S. Mission to the Organization for Economic Cooperation and Development,”Report Number ISP-I-0-09 (Feb 2005), <https://oig.state.gov/system/files/125616.pdf> (September 24, 2016) (retrieved September 23, 2016). [↑](#footnote-ref-9)
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14. Ilkay Unay Gailhard, "Adoption of Internal Web Technologies by OECD Turkish Government Officials,"International Journal of Managing Public Sector Information and Communication Technologies, Vol. 5, No. 4, December 2014 [↑](#footnote-ref-14)