PRESS RELEASE

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OECD Economic Outlook: workers cannot keep absorbing the cost of crisis after crisis

Paris, 3 June 2026 – The Trade Union Advisory Committee to the OECD (TUAC) has warned that the latest OECD Economic Outlook overestimates the resilience of the global economy at a time when workers face a second energy-driven cost-of-living crisis in four years. The Outlook projects global growth falling to as low as 2.1% and inflation reaching 4.4% in 2026 under a prolonged disruption of the Strait of Hormuz.

Average real wages across the OECD still lag behind pre-pandemic levels, nominal wage growth has moderated, and the labour market tightness of recent years has not delivered sustained wage gains. Workers face a further significant drop in living standards before previous losses have been recovered.

The conditions today are far worse than in 2022, when the last energy shock hit economies growing at 6% with near-zero interest rates and strong fiscal support. The fundamental lesson of that crisis – the need to decouple from fossil fuel dependency – was not acted on. The OECD's recommended response – fiscal consolidation, additional interest rate hikes, and labour market deregulation – cannot resolve a supply-side crisis driven by geopolitical disruption in the Strait of Hormuz, and risks deepening the damage to working people. TUAC calls on governments instead to protect workers through progressive taxation, public investment, and an accelerated Just Transition.

Veronica Nilsson, TUAC General Secretary, said: "Workers' real wages have not recovered from the last crisis, and they are now being hit again. The answer is not austerity, rate hikes and deregulation – it is public investment, progressive taxation and a just transition that breaks the cycle of energy shocks at workers' expense."

The full analysis is available here.

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Notes to editors

The Trade Union Advisory Committee to the OECD (TUAC) represents workers' interests in OECD policymaking. The OECD Economic Outlook was released on 3 June 2026.