



Resolution 680 (1978)¹

Reply to the report on the activities of the Organisation on Economic Co-operation and Development (OECD) in 1977

Parliamentary Assembly

The Assembly,

1. Having regard to the report on the activities of the Organisation on Economic Co-operation and Development (OECD) in 1977 ([Doc. 4181](#)), and to the report of its Committee on Economic Affairs and Development ([Doc. 4208](#)) ;
2. Noting that the economic situation in the OECD countries as a whole is characterised by low growth, a highly disturbing level of unemployment and a rate of inflation which, although having slowly decreased, is still high and is threatening to rise again ;
3. Emphasising that the present economic crisis is not merely a cyclical one, but has various structural features as reflected in the rising cost of energy, the malfunctioning of the monetary system, the changing world pattern of production and trade and the increasing awareness that most non-renewable resources are limited and that the environment must be better protected ;
4. Believing that the restoration of full employment, price stability and balance-of-payments equilibrium depends on the adoption by all the OECD countries of closely co-ordinated policies allowing for the structural changes that have occurred in the economic sphere ;
5. Having regard to the fact that, in the context of meeting the challenges set by structural changes, in most OECD countries growth has in recent years fallen far short of the targets set by the OECD Council, as the governments concerned have failed to carry out serious concerted efforts calculated to improve productive investment and to ensure adequate domestic demand.
6. Approves of the new approach in favour of concerted expansionary action adopted by the OECD Council in June 1978 and the comprehensive strategy agreed upon at the "Bonn Summit Conference" of 16 and 17 July 1978, and hopes that the member governments will make a sustained effort to implement such action ;
7. Welcomes the renewal by the OECD Council of its Trade Pledge of 30 May 1974 and the practical arrangements envisaged for a realistic application of the Pledge's principles amid the present structural difficulties ;
8. Hopes that a study will be made of ways and means of strengthening OECD's role as a coordinator of the industrialised countries' economic policies, particularly by :
 - a. giving the Secretariat greater scope for expressing public opinions on the basis of the various technical studies, intended for governments and parliaments, which should take fuller account of such opinions ;

1. Assembly debate on 3 October 1978 (16th Sitting) (see [Doc. 4208](#), report of the Committee on Economic Affairs and Development ; [Doc. 4218](#), Opinion of the Committee on Science and Technology ; [Doc. 4229](#), Opinion of the Committee on Regional Planning and Local Authorities ; [Doc. 4232](#), Opinion of the Committee on Agriculture ; and [Doc. 4206](#), Opinion of the Committee on Population and Refugees). Text adopted by the Assembly on 3 October 1978 (16th Sitting).



- b. conferring upon the Secretariat a more active role in international economic co-operation, in accordance with the trend emerging from the UNCTAD negotiations ;
- 9. Hopes that OECD will foster greater co-operation between its industrialised and less developed member countries ;
- 10. Realises the increasing interdependence of the economies of the developed and developing countries which is illustrated by the fact that, globally speaking, economic growth in the developing countries gives a positive impulse to growth in the industrialised countries ;
- 11. Urges the OECD member governments to seek forms of development suited to the new economic environment, giving greater emphasis to the qualitative aspect of growth, particularly through :
 - a. the establishment of objective indicators permitting improved assessment of the transition from quantitative to qualitative oriented economic growth, as has already begun to be the case within OECD for urban environmental and for social indicators ;
 - b. the priority development of sectors in which their countries' technological lead can best be manifested, as well as of the tertiary sector (services, welfare) ;
 - c. a more appropriate education and training system, in order to achieve a better matching of demand for employment with the labour market and to facilitate occupational mobility ;
 - d. collective sharing of available employment through an active social policy, which requires :
 - a thorough study of the possibilities for a reduction in working hours and the introduction of flexible retirement schemes ; the important point is that these measures should be acceptable to the active population (as they lead to a slowing-down in the increase of its real income) and that they can be financed by social security ;*
 - the co-ordination of such measures at international level, in order to obviate adverse effects on the competitiveness of the countries applying them ;*
 - e. an energy policy which should, in particular :
 - give priority to strong and effective measures for the conservation and rational use of energy, for the prevention of waste and the avoidance of unnecessary demand ;*
 - obviate any new dependence on external supplies as a result of excessive recourse to nuclear energy, which might result from the use of light water reactors, especially as all the environmental hazards of this type of energy have not yet been controlled and since the "polluter-payer" principles have not yet been sufficiently introduced ;*
 - promote research and development into renewable sources of energy within the framework of the International Energy Agency and ensure a more effective pooling of information between member countries ;*
 - help to make the public more aware of the justification for the costliness of finite resources of energy, by reference to forecasts concerning available reserves of fossil energy for the 1980s ;*
 - f. an overhaul of the international monetary system, whose operation is being endangered by the erratic currency fluctuations, especially through :
 - the fixing of the price of oil according to a basket of currencies that would encourage the United States and other governments to support a realistic parity of their currencies ;*
 - the provision of a second pillar for the monetary system, as foreshadowed by the decision taken by the European Community heads of state or government at their Bremen Summit meeting to create an area of monetary stability in Europe and a European Monetary Fund endowed with substantial resources ;*
 - g. the acknowledgement by the industrialised countries of the fact that protectionist measures cannot be a proper answer to the pressure exerted on their markets by the increase in the productive capacity of the developing countries, which should often entail in the industrialised countries an active restructuring policy ;

- h.* a development co-operation policy aiming at social advancement and the safeguarding of human rights in developing countries, by helping them in their efforts to strengthen and diversify their economies, raise living standards and obtain a more equal share of the world economy, especially through :
- an increase in official and private flows of capital to the developing countries, in order to promote a development model suited to those countries' specific conditions ;*
- greater emphasis on the improvement of the degree of self-sufficiency in food production ;*
- the establishment of a sound ecological basis, which may be achieved in particular by keeping the polluting industries of the developed countries out of those countries and helping the latter not to repeat the mistakes made in these countries, especially by contributing to the development of the use of solar energy and to the transfer of suitable technologies ;*
- a constructive contribution to the establishment of a new international economic order, one of whose fundamental components might be the implementation of the Integrated Programme for Commodities involving intervention by a common fund along the lines set out in its Resolution on commodities in an interdependent world (Resolution 682) ;*
12. Expressing the wish that OECD's role as a co-ordinator of the industrialised countries' policies be also strengthened in the field of scientific and technological policy, calls on the Council of OECD and on member governments :
- a.* to frame policies for the shaping and diffusion of new technologies which take account of their foreseeable impacts on society and the lives of individuals (as, for example, the impact on the rights and privacy of individuals of the expected massive upsurge of transnational data flows resulting from the combined development of data processing and telecommunication technologies) ;
- b.* to conduct, in the context of preparations for the United Nations Conference on Science and Technology for Development, to be held in Vienna in 1979, a comparative study and analysis by governments of their own experiences, where relevant, in applying science and technology to the problems of their own less developed regions with a view to providing insights into how their scientific and technological potentials might be more effectively used to help the developing countries,
13. Welcomes the fact that the Ministers for Agriculture of OECD member countries, meeting in February 1978, confirmed that their governments will support policies designed to increase substantially aid to agriculture and to establish an internationally co-ordinated system of nationally held stocks adequate to provide food security and to introduce a greater measure of stability into the international grain market in the future ;
14. In the field of international migration, invites the Council of OECD and governments of the member countries concerned :
- a.* to act without delay on the study of employment and manpower problems in a longer-term perspective and the elaboration of a development strategy in the context of the problems of migration, and to implement a valid development strategy which takes into account the rational use of human resources within the OECD area ;
- b.* to take, in co-operation with the Council of Europe, adequate initiatives in favour of second generation migrants, particularly with regard to training and employment.