Parliamentary Assembly
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COUNCIL OF EUROPE
CONSEIL DE L'EUROPE

Resolution 710 (1979)[1]

Reply to the report on the activities of the Organisation for Co-operation and Economic Development (OECD) in 1978

Parliamentary Assembly

The Assembly,

1. Having regard to the report on the activities of the Organisation for Economic Co-operation and Development (OECD) in 1978 (Doc. 4358) and to the report of its Committee on Economic Affairs and Development (Doc. 4410) ;

I. Economic and energy questions

2. Noting that the OECD area as a whole is still marked by slow growth and unacceptably high levels of unemployment despite encouraging progress in certain countries to reduce inflation and balance of payments disequilibria ;

3. Considering that the attainment of higher economic growth levels, sufficient to ensure a gradual return to full employment and sufficient investment in energy conservation and development projects, is the most urgent task for the governments of OECD countries in the coming years, requiring intense international co-operation and co-ordination on the basis of the Concerted Action Programme to achieve more sustained economic growth, adopted by the OECD Council in 1978 ;

4. Concerned at the fact that so long as present behavioural relationships (wage-price spiral) and other structural constraints (energy) continue to exist the chances of achieving such growth in the next few years are not good, and that this situation also calls for intensified consultation between governments and the social partners to analyse in depth the consequences of the various economic and social policy options ;

5. Recognising that the erratically rising energy prices form a serious obstacle to combating inflation and that no lasting return to non-inflationary growth, necessary to achieve full employment, can be expected unless effective policies are pursued, designed to offset shortfalls in supplies by a more than offsetting rise in non-OPEC energy production ;

6. Believing that the continuous rise in energy prices should be passed on in an appropriate way to energy users, so as to encourage conservation and the development of alternative sources, and that the rise in oil prices reduces for all social groups the scope for higher real incomes ;

7. Welcoming the decision taken by the Energy Ministers of the seven "Tokyo Summit" nations, meeting in Paris on 26 September 1979, to form an international energy technology group with the task of pursuing international co-operation on the large-scale commercialisation of coal, the development of nuclear energy and the investigation of alternative energy sources ;

8. Regretting, however, the inadequate results of energy conservation programmes in most industrial countries, despite the campaign conducted by the International Energy Agency which is marked by the designation of October 1979 as International Energy Conservation Month ;

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1. Assembly debate on 9 October 1979 (17th Sitting) (see Doc. 4410, report of the Committee on Economic Affairs and Development ; Doc. 4423, opinion of the Committee on Science and Technology ; Doc. 4429, opinion of the Committee on Regional Planning and Local Authorities ; Doc. 4417, opinion of the Committee on Agriculture and Doc. 4411, opinion of the Committee on Culture and Education. Text adopted by the Assembly on 9 October 1979 (17th Sitting).

9. Stressing the importance of selective measures to overcome inflation and energy constraints, in particular positive adjustment and restructuring policies in industry and other sectors, the stimulation of small and medium-sized business, notably by reducing the bureaucratic burden, and greater emphasis on labour-intensive social and environmental services ;

10. Welcoming the establishment by the OECD Council of a special programme of work of OECD on positive adjustment policies designed to promote necessary structural adjustment, and the productivity and competitiveness of the sectors concerned ;

11. Convinced that the creation of better conditions for technological innovation must be a central element of such policies ;

12. Noting the review of the guidelines for multinational enterprises which took place in 1979 and stressing the need to continue to monitor the implementation of these guidelines with the participation of representatives from trade unions and industry and business circles,

13. Recalls its Resolution 639 (1976) and trusts that it will have an opportunity to express its views and to co-operate with the relevant bodies in OECD on the implementation of the guidelines for multinational enterprises before their next review is due ;

14. Calls on the governments of the OECD countries :

14.1. to improve international co-operation and co-ordination of national economic and energy policy measures on the basis of the Concerted Action Programme for a return to adequate non-inflationary growth, and hence full employment, in the framework of OECD, and to associate the social partners in the regular assessment to evaluate progress under the Programme ;

14.2. to take the initiative for a smoother functioning of the international monetary system, with a view to avoiding too great short-run volatility of exchange rates which has an adverse effect on confidence and economic activity ;

14.3. to study ways and means of alleviating unemployment by introducing part-time jobs, flexible retirement schemes, reduction of work-time by international concertation and greater flexibility of the labour market ;

14.4. to stimulate the creation of new employment by concentrating on labour-intensive activities in the tertiary (e.g. transport, trade, insurance, banking) and quaternary (e.g. social and cultural services, environmental protection) sectors ;

14.5. to resist protectionist pressures and to intensify positive adjustment programmes to increase productivity and competitiveness in sectors affected by new patterns of international trade and to focus on the development of industries which offer a comparative advantage ;

14.6. to adhere as strictly as possible to the "Decision on group objectives and principles for energy policy" adopted by the International Energy Agency in 1977, which offers an excellent basis for national action and international co-operation to conserve energy and develop new sources of energy ;

14.7. to give full support to the energy conservation campaign of the International Energy Agency through the vigorous implementation of measures likely to encourage enterprises, public services and individuals to save energy : tax incentives, subsidies, construction grants, recycling of waste energy, etc. ;

14.8. to encourage the faster development of research into new and renewable energy sources ;

14.9. to investigate the long-term consequences and risks, in both social and economic cost, of developing various kinds of energy, not only coal and nuclear power, but also new energy sources ;

14.10. to continue to support the implementation of the guidelines for multinational enterprises and the ongoing OECD work in this field and to implement effectively the recommendation adopted by the OECD Council in June 1979 on the determination of transfer prices between associated enterprises ;

II. Agriculture

15. Encourages the implementation of the agreements resulting from the multilateral trade negotiations, and invites OECD member states to take account of the requirements of developing countries, thereby contributing towards the advent of a new international economic order ;

16. Welcomes the completion of a co-operative research project on food production and preservation, with the aim of promoting research to ensure a sufficient volume of food production of agricultural origin with less recourse to non-renewable production inputs, and emphasises that this undertaking clearly corresponds to the concerns expressed by the Assembly with regard to the promotion of agricultural research in general, and the very special role agriculture plays in the context of the general energy shortage and the situation on the labour market ;

17. Further welcomes that OECD has undertaken, in its technical co-operation programmes, activities to help Southern European countries pool their experiences for improving the profitability of public investment, thus emphasising the North-South dialogue within Europe also advocated by the Assembly ;

18. Notes with satisfaction the activities undertaken by OECD in order to improve the behaviour of the food sector, taking into account that the food production and distribution system is undergoing a profound structural evolution allocating to the non-agricultural operators a dominant position to the detriment of agriculture ;

19. Recalls that it attaches great importance to the assessment of the fisheries situation created by the extension of national jurisdiction, which has given rise to considerable changes in price and marketing conditions for sea products and wishes to encourage OECD in its monitoring work on this subject ;

20. Calls on the governments of the OECD member states to support fully the activities of this organisation referred to in paragraphs 15 to 19 above ;

III. Environment protection and other activities

21. Expressing the wish that environment protection, road research, urban management and tourism continue to appear as priorities in OECD's work programme, requests the OECD Council and member governments :

21.1. to go on systematically studying the economic effects of pollution control on industry and public services, so that the cost of environment protection becomes a permanent factor in the calculation of the general cost of production or services ;

21.2. to take account, when encouraging public and private companies to save energy and develop new renewable energy sources, of the effect of such action on environment protection ;

21.3. to inform public opinion of the economic necessity of nuclear energy, the surveillance measures in force throughout the production cycle, the devices available for dealing with any accidents, the possible ways of processing radioactive waste and the ecological impact of nuclear energy compared with other energy sources ;

21.4. to rationalise the administration and use of regional aid funds ;

21.5. to present to the Conference of Local and Regional Authorities of Europe a paper on the various aspects of OECD's work that are of interest to local representatives ;

21.6. to improve co-operation between OECD's Environmental Committee and the Council of Europe's European Committee for the Conservation of Nature and Natural Resources ;

21.7. to continue the collaboration already established between OECD and the United Nations Economic Commission for Europe, particularly in the matter of transfrontier atmospheric pollution.