Parliamentary Assembly
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COUNCIL OF EUROPE
CONSEIL DE L'EUROPE

Resolution 761 (1981)[1]

Reply to the report on the activities of the Organisation for Economic Co-operation and Development (OECD) in 1980

Parliamentary Assembly

The Assembly,

1. Having regard to the report on the activities of the Organisation for Economic Co-operation and Development (OECD) in 1980 (Doc. 4738), to the report of its Committee on Economic Affairs and Development (Doc. 4770), and to the contributions by its Committee on Science and Technology (Doc. 4791), its Committee on Social and Health Questions (Doc. 4795), its Committee on Culture and Education (Doc. 4775), its Committee on Agriculture (Doc. 4771) and its Committee on Regional Planning and Local Authorities (Doc. 4774) ;

I. Economic co-operation and development

2. Emphasising the need to continue and improve the dialogue between OECD and the Assembly which has already led to a series of constructive economic and development policy proposals ;

3. Expressing its concern at the continuing deterioration of the employment situation in OECD countries resulting essentially from persistently high levels of inflation, insufficient attention to the need of industrial adjustment and two successive massive oil pricing shocks ;

4. Emphasising that this situation calls for increased co-operation among OECD countries in order to co-ordinate and attune their economic policies with a view to promoting adequate economic non-inflationary growth ;

5. Believing that unemployment must be considered as a major source of social distresses and, among other things, causes a weakening of the social welfare systems ;

6. Taking note of the Ottawa Summit Declaration, in which the heads of states or of governments of seven major OECD countries recognised the need to revitalise the economies of the industrial democracies and to give highest priority to the fight to bring down inflation and reduce unemployment, by securing higher investment and sustainable growth ;

7. Considering that unemployment hits particularly the young - not only from an economic, but also from a social and moral point of view - and wishing to support the OECD programme of work on youth unemployment, which should lead to a better understanding of the underlying causes of the phenomenon and the best remedial action at the level of economic, social and education policies, and anxious to give wide publicity to OECD's work on this sector, both in parliaments and in public opinion ;

8. Considering the fact that, since the present lull on the oil market is unlikely to continue, it remains of utmost importance for OECD governments to implement and to strengthen the policies recommended in Assembly Resolution 748 (1981) on energy and the economy, so as to reduce their dependence upon imported energy ;

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1. Assembly debate on 6 October 1981 (16th Sitting), with the participation of parliamentary delegations from Australia, Canada, Finland and Japan (see Doc. 4770, report of the Committee on Economic Affairs and Development). Text adopted by the Assembly on 6 October 1981 (16th Sitting).

9. Reiterating its support for the "Declaration on Trade Policy" adopted by the OECD Ministerial Council in June 1980, the implementation of which is of crucial importance in maintaining a multilateral open trading system, and welcoming OECD's recent initiative to pay greater attention to international trade in services with a view to examining ways and means of reducing or eliminating identified hindrances and other problems in such trade ;

10. Concerned that continued monetary instability complicates governments' efforts to maintain balanced conditions of international trade and to control inflation, and calling for new efforts to strengthen international monetary co-operation.

11. Calls on the governments of OECD countries :

11.1. to resist protectionist pressures, to refuse trade-distorting measures, notably subsidies and import restrictions, and to solve problems arising from changes in relative international competitive positions through intensified positive industrial adjustment policies and, where appropriate, through international co-operation within the existing multilateral frameworks ;

11.2. to strengthen, as a matter of priority, international monetary co-operation so as to reduce the volatility of currency exchange and interest rates which imposes unnecessary economic and social constraints and complicates governments' efforts to return to adequate levels of non-inflationary economic growth ;

11.3. to increase their efforts to reach an agreement on interest rates in the framework of the OECD "arrangement on guidelines for officially supported export credits" ;

11.4. to stimulate the creation, the development and a more balanced regional spread of small and medium-sized businesses by various measures and facilities, in particular in the educational, social and fiscal fields, which are likely to favour a general economic climate in which small and medium-sized businesses can increase their contributions to economic and social progress and to the creation of jobs ;

11.5. to maintain and increase employment in the private sector :

a. by creating the conditions and environment for productive investment through tax incentives and the relaxation of undue legislative bureaucratic constraints ; and

b. by increasing potential output growth through manpower (re)training schemes, educational policies, employment subsidies, etc., to improve the flexibility of labour markets and to alleviate inflationary pressures, in particular by reducing government budget deficits ;

11.6. to continue in the framework of OECD the assessment of the consequences of technological change upon economic growth, employment and productivity, with the aim to facilitate structural change ;

11.7. to achieve a more harmonious relationship with both the oil and non-oil producing developing countries, in order to solve their problems arising from changing international trade patterns and high energy prices ;

11.8. to adopt a constructive attitude at the forthcoming North-South Summit in Cancun and in the subsequent global negotiations to be held in the framework of the United Nations on the implementation of a strategy for the 3rd Development Decade, bearing in mind the policy recommendations formulated in Assembly Resolution 747 (1981) on "global prospects : human needs, and the earth's resources", in the Programme of Action adopted by the United Nations Conference on New and Renewable Sources of Energy (Nairobi, 10-21 August 1981), and also in the Declaration of the Commonwealth Heads of Governments Meeting (Australia, October 1981) ;

12. Invites the governments of OECD member countries to ensure that the state, while continuing to be the central agent for the deployment of adequate protection, contemplates more effective redistribution of social benefits and services, at the same time allowing, as a rule, no reduction to be made in social protection schemes as from their present level ;

II. Culture and education

13. Referring to its Resolution 737 (1980), and welcoming the decisions of the OECD Council to enable the organisation to continue its activities in the field of education ;

14. Considering that the approaches adopted by OECD and the Council of Europe are largely complementary, and that this should make for fruitful co-operation between the two organisations ;

15. Conscious of the priority attaching to education and employment policies and of the need for close co-ordination of the two ;

16. Considering youth unemployment to be not contingent but structural, the reflection of a deep transformation of society, and to require the implementation of an all-embracing policy for short, medium and long-term action ;

17. Believing that systems of education and training too often seem to ignore the real needs of the employment market, and that parents, pupils, schools and the authorities should therefore be made more aware of the problems of preparing a better transition from school to work ;

18. Convinced that it is indispensable in the fight against youth unemployment to consult those most directly concerned, and especially young people themselves, with a view to ascertaining their attitudes towards the problems of education and work, and referring in this context to its Recommendation 902 (1980) on youth co-operation in Europe,

19. Invites the governments of OECD member countries, in the context of their action for reducing unemployment among young people :

19.1. to define policies which will offer them greater equality of opportunity, by ensuring that they possess some real qualification when they leave school, in particular as a result of better guidance during school and fuller information about the world of work ;

19.2. to create conditions in which better use can be made of free time ;

III. Agriculture

20. Agrees that agriculture should be considered an integral part of the general economy with a duty continuously to improve its own efficiency, but considers that the policy of positive adjustment called for by OECD should take agriculture's special conditions and contributions to society into account ;

21. Welcomes OECD's studies of the efficiency and profit margins within the food-processing and food-marketing industries with a view to improving market mechanisms ;

22. Commends the work of OECD relating to energy and agriculture, and recalls its own Resolution 744 (1981) adopted in the matter ;

23. Notes with apprehension the developing world's increasing dependence on North American and, to some extent, European grain for its food provision, and calls on the governments of OECD member countries, not only to increase short-term food aid, but above all to encourage developing countries to rebuild domestic agricultural production and markets ;

24. Commends OECD for its studies of the agricultural situation in a number of Eastern European countries, and calls in particular on the governments of OECD member countries to consider Polish requests for short-term food aid in as generous a spirit as possible ;

25. Welcomes OECD's current efforts to have countries of Northern and Southern Europe pool their experience as regards agricultural investments and the efficiency of certain sectors ;

26. Calls on governments of OECD member countries to use the organisation's potential more fully as a forum for a comprehensive international approach to fisheries problems along the lines suggested in the Assembly's Recommendation 913 (1981) on the future of European fisheries ;

IV. Regional planning and environment

27. Asserting that environmental and regional planning policies should be recognised as essential factors in solving the economic crisis, and that they deserve greater attention on the part of OECD ;

28. Convinced of the decisive importance of defining regional solutions to the energy crisis and the employment problem ;

29. Urges the governments of OECD member countries to enhance the role of regional planning and regional policies in overcoming the crisis and to devote increased resources to combat pollution and to protect the environment.