Parliamentary Assembly
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COUNCIL OF EUROPE
CONSEIL DE L'EUROPE

Resolution 785 (1982)[1]

Reply to the report on the activities of the Organisation for Economic Co-operation and Development (OECD) in 1981

Parliamentary Assembly

The Assembly,

1. Having regard to the report on the activities of the Organisation for Economic Co-operation and Development (OECD) in 1981(Doc. 4909), to the report of its Committee on Economic Affairs and Development (Doc. 4951)and to the contributions by its Committee on Science and Technology (Doc. 4968), its Committee on Agriculture(Doc. 4952)and its Committee on Regional Planning and Local Authorities (Doc. 4956);

Economic and technological co-operation

2. Reiterating its grave concern at the continued increase in unemployment in the OECD countries, the social and economic problems caused by the vast numbers now unemployed, the unequal burden of this situation falling upon the young and women - as well as other disadvantaged groups - and the apparent inability of governments to improve significantly the situation ;

3. Expressing also its concern at the increase in protectionist measures, many of which take the form of "voluntary" agreements which are not subjected to international rules and disciplines, and other non-tariff measures ;

4. Considering that the implementation of the right mix of economic policies is made more difficult by the existence in most OECD countries of large government budget deficits and persisting high rates of inflation ;

5. Emphasising that the maintenance of an open multilateral trade system is one of the most important challenges facing OECD countries, and welcoming, in this respect, the new activities undertaken by OECD on trade issues in the 1980s ;

6. Considering that the continuation of the effective implementation of positive adjustment policies, designed to transfer economic activity from less competitive to more efficient sectors, is essential to avoid a worsening of international trade problems and a weakening of industrial potential ;

7. Considering further, in this regard :

7.1. that major technological transformations facing the world economy and the responses thereto by governments, industry and trade unions have a significant bearing on prospects for growth, inflation levels and conditions of employment, and for the maintenance of an open international trading system ;

7.2. that, following the Versailles Summit of industrialised countries (June 1982), these technological transformations should be the object of internationally concerted, long-term investment programmes, promoted by governments and coordinated between the public and private sectors, by means of which the production potential of the world economy will be regenerated with consequential effects on public confidence and levels of employment ;

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1. Assembly debate on 5 October 1982 (17th Sitting), with the participation of parliamentary delegations from Australia, Canada, Finland, Japan, New Zealand and the United States (seeDoc. 4951, report of the Committee on Economic Affairs and Development). Text adopted by the Assembly on 5 October 1982 (17th Sitting).

7.3. that systems of training and retraining in the new technologies should be expanded and improved, notably for the social groups referred to in paragraph 2 above, but also with a view to transferring experience to and helping the developing countries in conformity with the terms of paragraph 17 of this resolution ;

8. Stressing the need for greater consensus between governments, employers and trade union organisations on the specific short, medium and long-term action by the governments of OECD countries required to stop a further deterioration of the employment situation,

9. Calls in this context for a constructive cooperation between OECD and the Council of Europe in the preparation of the Conference of European Ministers for Labour to be held in 1983 ;

10. Invites OECD to intensify its efforts in the framework of its Manpower and Social Affairs Committee to promote a more dynamic and efficient labour-market and the improvement of the interaction between social policy, the economy and labour-markets, and to supply further guidance on the conditions under which the reduction and redistribution of working time could lead to an effective creation of new employment ;

11. Invites OECD, through its Steel Committee, to examine charges of dumping, review the demand for steel in the different regions of the world and, in total, examine resources for steel making and their costs in the different regions of the world, and prepare guidelines with the industry as to where expansion is feasible and contraction inevitable, so that capacity to produce steel can be better adjusted to meet demand ;

12. Calls on the governments of OECD countries :

12.1. to intensify their efforts to lower further real interest rates ;

12.2. to soften the impact of unemployment on those most in need, notably by a system of incentives and subsidies in favour of young workers, training and retraining schemes, and the improvement of the functioning of the labour-market ;

12.3. to stimulate private and public investment in productive sectors, especially in those sectors of the economy which are best fitted to make use of the new. technologies, by fiscal and economic policies that remove the negative impact on the willingness and possibilities to invest, in particular by creating a more favourable climate in which small and medium-sized businesses can operate ;

12.4. to reinforce the innovation capacity of firms, for example by taking measures designed to reduce the financial risks of high-cost innovation projects, by granting state contributions to such projects, and by encouraging research and development ;

12.5. to resist pressure to expand further protectionist measures, and to dismantle progressively tariff and non-tariff protection, including those measures not currently governed by international rules and disciplines of trade ;

12.6. to continue, in spite of the recent trend towards stabilising oil prices, efforts made in increasing energy efficiency and substituting other sources of energy for oil, as reliance on oil imports remains for OECD as a whole uncomfortably high ;

12.7. to achieve greater harmony in trade practices vis-a-vis Eastern European non-market economies on the lines of Resolution 778 (1982) of the Assembly on East-West economic and commercial relations ;

Development co-operation

13. Regretting that the official development aid (ODA) effort of a number of OECD countries has markedly declined in the last year, resulting in a stagnating net volume of ODA in relative terms from the OECD area as a whole, whereas deteriorating terms of trade and the increase in protectionist measures have unduly hit the developing countries ;

14. Considering that the rapidly growing external debt of the developing countries and the fragile situation of some of the major debtor countries call for increased international co-operation in order to avoid a major international financial crisis ;

15. Noting that multilateral aid is particularly important to the poorest countries, and regretting the tendency observed in the last years among the donor countries to substitute bilateral for multilateral aid,

16. Invites the governments of OECD countries that have not yet done so to draw up precise plans to raise their development assistance to the target of 0,7% of GNP ;

17. Invites all DAC countries :

17.1. to step up their multilateral aid, which collectively has proved more effective than the combined bilateral aid programmes, in channelling resources to agricultural development projects in the poorest countries ;

17.2. to support the Substantial New Programme of Action, adopted by the United Nations Conference on the Least Developed Countries (Paris, September 1981), and to increase the volume of their aid to these countries to the target of 0.15 % of GNP ;

17.3. to adopt a constructive attitude in the launching of the global negotiations, so as to avoid any further undue delay in their preparation ;

17.4. to adopt special aid programmes for the limited number of democratic, parliamentary and pluralistic regimes still existing in low and medium-income countries despite the danger represented by the current general crisis affecting not only the living conditions and employment prospects of their citizens, but also the stability and very survival of democratic institutions ;

18. Asks OECD whether, in order to combat speculation affecting raw materials and basic products sold by the developing countries, it might not actively support the implementation of the Common Fund for Commodities of UNCTAD, in accordance with Resolution 682 (1978) of the Assembly on commodities in an interdependent world, in order to guarantee the producer countries a certain stability in their export revenues ;

19. Invites OECD to co-operate with it in the organisation of a Conference on Europe's contribution towards improvement of North-South relations and better preservation of the earth's resources to be held in pursuance of Resolution 747 (1981) on global prospects - human needs and the earth's resources, and Order No. 407 (1982) of the Assembly ;

Agriculture

20. Supports the efforts of OECD to effectuate "positive adjustment" by agriculture in relation to the general economy, but recalls the very special conditions under which agriculture is operating and its unique contribution to the well-being of society ;

21. Commends OECD's work on the use and production of energy in agriculture and recalls its own Resolution 744 (1981) adopted in the matter ;

22. Draws attention to the growing imbalance between a few surplus production areas in the world, such as North America and Western Europe, and regions suffering from serious shortages in production - in Africa, South Asia, Latin America and Eastern Europe ;

23. Calls on OECD to give urgent consideration to this problem, drawing, inter alia, on the Assembly's recently adopted Resolution 772 (1982) on the world food situation ;

24. Encourages OECD to pursue its study of agriculture in Eastern Europe with a view to establishing better forecasts for import requirements of countries in the area in coming years ;

25. Considers that OECD's efforts to promote research into the photosynthetic capacity of plants and their absorption of nitrogen holds particular promise for an increase in world agricultural production ;

26. Welcomes the work of OECD on behalf of rural development and recalls its own Recommendation 935 (1982) adopted in this matter ;

27. Calls on OECD to intensify efforts to have member states reach a common understanding as regards long-term fisheries policies ;

Regional planning and environment

28. Considering that an active environmental protection policy and a balanced regional development policy could be of positive assistance in resolving the economic crisis which has affected the member states of OECD for some years ;

29. Convinced of the need to integrate regional development and transport policies within economic and social policies,

30. Congratulates OECD on its work on urban policy and suggests that a forthcoming meeting of the Council of Europe/OECD Liaison Committees consider ways of co-ordinating more fully the activities of the two organisations in this field, and particularly in the local government sector ;

31. Invites the governments of OECD member states to take account, in deciding on the general orientation of their economic policy, of its effects on regional, environmental and territorial planning policies.