Parliamentary Assembly
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COUNCIL OF EUROPE
CONSEIL DE L'EUROPE

Resolution 809 (1983)[1]

Reply to the report on the activities of the Organisation for Economic Co-operation and Development (OECD) in 1982

Parliamentary Assembly

The Assembly,

1. Having regard to the report on the activities of OECD in 1982 (Doc. 5100), the report of its Committee on Economic Affairs and Development in reply thereto (Doc. 5119), and the opinions of its Committees on Science and Technology (Doc. 5127), on Agriculture (Doc. 5120), and on Regional Planning and Local Authorities (Doc. 5124) ;

I. Economic and technological co-operation and development co-operation

2. Noting that the OECD strategy to achieve non-inflationary growth seems to be bearing some fruit in that significant progress towards lower inflation has been made in many OECD countries and that at last some moderate economic growth can be expected in the near future ;

3. Aware, however, that a recovery strong enough to reduce current levels of unemployment,unprecedented in OECD's existence, seems unlikely to materialise in the foreseeable future ;

4. Stressing the need to give absolute priority to internationally synchronised economic policies leading to a sustained economic recovery sufficiently strong to make progress towards a substantial reduction of unemployment ;

5. Recognising that one of the main impediments to such a recovery is the current high levels of interest rates, induced by large structural public-sector deficits, in particular that of the United States ;

6. Underlining the importance of OECD's work in analysing the relationship between economic growth and structural adjustment policies with a view to guiding governments in the implementation of such policies ;

7. Considering that structural adjustment policies are closely related to policies for technology, and that prospects for the successful implementation of these policies will be improved by better arrangements for research and industrial development co-operation in the OECD area and between member countries of the Council of Europe ;

8. Aware of the increasing interdependence of the world economy and considering that no lasting economic recovery in the industrialised countries can be achieved without at the same time a real improvement of the economic and financial situation of the developing countries ;

9. Recalling in this connection its Resolution 796 (1983) on developments in international trading,and reiterating the urgent need to reverse protectionist trends and to make further progress towards the liberalisation of world trade ;

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1. Assembly debate on 3 and 4 October 1983 (20th and 21st Sittings), with the participation of parliamentary delegations from Australia, Canada, Finland, Japan and New Zealand (see Doc. 5119,report of the Committee on Economic Affairs and Development). Text adopted by the Assembly on 4 October 1983 (21st Sitting).

10. Welcoming the fact that, after years of stagnating official development aid flows from OECD member countries to the developing countries, an increase in such aid was achieved in 1982, and reiterating its request that all Development Assistance Committee member countries increase their official aid levels to the target of 0.7% of GNP within defined time-limits, and calling for more effective help to the poorer developing countries ;

11. Considering that the building of capabilities in science and technology is a precondition for sustained social and economic development in the developing countries, and should accordingly be a priority objective in development aid ;

12. Attaching great importance to the fact that OECD is co-operating in the preparation of the Conference "North-South : Europe's Role" to be held under the auspices of the Assembly from 9 to 11 April 1984 in Lisbon ;

13. Noting with satisfaction the co-operation started in 1982 between OECD and the Council of Europe in preparing a draft convention on mutual administrative assistance in tax matters ;

14. Welcoming OECD's recent publication on the employment outlook which affords a most valuable and comprehensive analysis of the situation and policy aspects of employment in the OECD countries, and inviting OECD to continue such publications in the future ;

15. Concerned that no false sense of security should be induced in the industrialised countries by recent downward trends in the price of oil,

16. Looks forward to active co-operation with OECD in the proposed Council of Europe ministerial conference on research and in regard to the eighteen projects of the Working Group on "Technology, Growth and Employment" of the Versailles and Williamsburg Summits ;

17. Invites OECD :

17.1. to give urgent attention to the problem of chronic structural unemployment and ways of dealing with it ;

17.2. to continue and intensify its activities in the fields of positive adjustment, innovation and technological progress with a view to increasing the competitiveness of its member countries' economies and removing structural impediments to the expansion of trade ;

17.3. to intensify its studies of the problems connected with structural public-sector deficits in order to help member countries confronted with such deficits to return to more healthy government finances without disrupting their social and economic systems ;

18. Calls on the governments of OECD countries :

18.1. to give highest priority to achieving an economic recovery strong enough to allow for a substantial reduction in unemployment and, for this purpose, to continue synchronising their economic policies within OECD and other appropriate international forums ;

18.2. to adopt selective measures to improve the employment situation, in particular in favour of the young and other disadvantaged groups ;

18.3. to encourage productive investment not only by re-establishing a more stable and predictable macro-economic environment but also by such measures as investment grants, tax and financial incentives and measures designed to improve the profitability of investment ;

18.4. to resist protectionist pressures in all their forms, and to make further progress towards the liberalisation of world trade thereby bearing in mind the policy recommendations formulated in Resolution 796 (1983) on developments in international trading ;

18.5. to improve North-South relations by engaging constructively in the dialogue with the Group of 77 and by bringing the world economy on a healthy course of recovery, growth and development while, at the same time, encouraging governments of developing countries to pay more attention to improving their countries' managerial and organisational capacity to implement development policies effectively ;

18.6. to consider as a priority objective of their medium-term development aid policies, in accordance with the Vienna Action Programme (UNCSTD 1979), their budgetary participation in the UN Financing System for Science and Technology for Development, so that the recently agreed institutional arrangements for the system may be brought into effect without delay ;

18.7. to take new initiatives to find lasting solutions to the financial problems caused by the excessive debt burden of the developing countries ;

18.8. to help reverse the trend of declining revenues for developing countries from commodity exports through greater access to market opportunities in the industrialised countries and by strengthening the international instruments designed to stabilise such revenues at remunerative levels, namely UNCTAD's Integrated Programme for Commodities, IMF's Compensatory Facility and Stabex of the European Communities ;

18.9. to ensure that emergency oil sharing arrangements and oil stocks are kept at levels adequate to meet unexpected supply disruptions on the scale of those encountered during the last decade ;

18.10. to continue their efforts both within OECD and the International Energy Agency to promote energy efficiency, the use of alternative sources of energy and the development of indigenous energy production so as to avert rising energy prices if the recovery gets under way ;

18.11. to foster new forms of co-operation with the oil producing countries in order to develop and diversify their economies with a view to reducing their dependence on oil revenues ;

18.12. to help accelerate the rate of the world recovery of trade by ensuring that during the early phases of that recovery OECD members do not give undue policy emphasis to the achievement or maintenance of a current-account trade surplus ;

II. Agriculture

19. Alarmed by the present situation in the world food trade, characterised on the one hand by considerable surpluses in the developed world and, on the other, by the inability of many Third World nations to finance food imports and their unwillingness to assign sufficient priority to domestic agricultural development ;

20. Concerned about the growing friction among OECD countries over food trade issues, as regards access both to each other's markets and to markets in the developing world,

21. Calls on the governments of OECD member states to intensify, in forums such as OECD and GATT, their efforts in favour of freer world trade in food products- whilst taking the interest of farmers and national security concerns into due account and recognising the responsibility of national governments to make internal socio-economic transfers ;

22. Recommends, in particular, that OECD member countries make fuller use of the GATT machinery for arbitrating food trade disputes, so that clearer rules governing international competition may be formulated ;

23. Considers the recent proposals of the Commission of the European Communities for changes in the Common Agricultural Policy (CAP) as interesting first steps towards an unprejudiced discussion on the necessary reform of CAP ;

III. Regional planning and environment

24. Congratulating OECD on its initiative to organise in 1984 a Conference on Economy and Environment which will stimulate profound reflection on the relationship between these two subjects and lay the foundations for future environment policies ;

25. Considering that this conference should permit consideration of certain political objectives, such as environmental protection, in a more positive light and not just as a particularly costly obstacle to economic development policies,

26. In order to avoid a risk of duplication, invites OECD to take into account activities already in progress within the Council of Europe concerning urban policies when drawing up its work programme in this field ;

27. Calls on the governments of OECD member countries :

27.1. to recognise that pollution control has positive influences on technological change in industry, and to act accordingly ;

27.2. to explore and utilise more fully the potentials of local and regional authorities in combating unemployment ;

IV. Culture and education

28. Having noted the report on European cooperation in the field of education of its Committee on Culture and Education (Doc. 5138), and recalling its Resolution 807 adopted on this subject ;

29. Welcoming the continued co-operation between OECD and the Council of Europe, at ministerial and intergovernmental levels, in the field of education ;

30. Believing that OECD provides a helpful bridge with certain non-European countries, in particular with Japan and North America, that are involved in developments of importance for educational innovation and policy formulation within Europe ;

31. Drawing attention to a growing concern within Europe at the effects of technological change, largely dominated by global economic and commercial factors, on education and on cultural values ;

32. nderlining the continuing need, as indicated in past OECD work, to apply qualitative as well as economic criteria in the formulation of education policies ;

33. Welcoming the approach of OECD in relating education to broader economic and social policy,

34. Invites OECD :

34.1. to continue its efforts to ensure greater co-ordination, in member countries, of education and other sectors of policy, in particular social, economic and employment ;

34.2. to evaluate to what extent its work on education takes account of new global economic and commercial relations ;

34.3. to give consideration to the future role of education in the context of the changing social, economic and technological conditions in industrialised countries ;

34.4. to suggest periodically, on a formal or informal basis, other specific questions in the field of education that might be debated in the Assembly, either to draw the attention of parliamentary opinion to OECD thinking or to contribute to it.