Parliamentary Assembly
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COUNCIL OF EUROPE
CONSEIL DE L'EUROPE

Resolution 865 (1986)[1]

Reply to the report on the activities of the Organisation for Economic Co-operation and Development (OECD) in 1985

Parliamentary Assembly

The Assembly,

1. Considering the report on the activities of OECD in 1985 (Doc. 5580), and the report in reply thereto of its Committee on Economic Affairs and Development (Doc. 5608), and the opinions of its Committee on the Environment, Regional Planning and Local Authorities, its Committee on Agriculture, and its Social and Health Affairs Committee (Docs. 5641, 5611 and 5616);

A. Economic policy and co-operation

2. Considering that in the OECD area as a whole the recent lowering of the levels of inflation and interest rates as well as energy prices have created better conditions for the implementation of policies leading to stronger economic growth and more employment;

3. Underlining that economic growth and a return to full employment depend particularly on private and public investment, and welcoming in this connection the Joint Statement by the Business and Industry Advisory Committee (BIAC) and the Trade Union Advisory Committee (TUAC) to OECD on full employment and growth as the social and economic goal;

4. Considering that any increase in inflation will impede employment creation and economic growth, both of which are indispensable factors in order to emerge from the economic crisis;

5. Noting that the level of unemployment has become the dominant social issue in many OECD member countries, and that a lasting improvement in the employment situation will require structural adjustments and greater labour market flexibility, in particular as regards working conditions, wage levels and working time;

6. Believing in this context that the recent OECD study on "Labour Market Flexibility" is a good base for further reflection, provided, however, that the wide dimension of flexibility as a factor both of economic change and social progress is well understood;

7. Considering that in certain OECD countries wages have increased more rapidly than productivity, leading to a basic economic imbalance;

8. Stressing the importance of small and medium-sized enterprises for job creation and structural adjustment, and expressing the wish that administrative barriers to the setting up of such enterprises be eliminated as rapidly as possible;

9. Convinced that social progress can only be built on a healthy economic situation;

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1. Assembly debate on 23 September 1986 (17th Sitting) with the participation of parliamentary delegations from Australia, Canada, Finland, Japan, New Zealand and Yugoslavia (see Doc. 5580 Doc. 5580Doc. 5580 Doc. 5580 (report of OECD), Doc. 5608, report of the Committee on Economic Affairs and Development, and the contributions of the Committee on the Environment, Regional Planning and Local Authorities (Doc. 5641), the Committee on Agriculture (Doc. 5611) and the Social and Health Affairs Committee (Doc. 5616). Text adopted by the Assembly on 23 September 1986 (17th Sitting).

10. Also aware that higher economic growth can only be achieved through increased international co-operation designed to stabilise exchange rates, reduce real interest rates and maintain an open multilateral trading system;

11. Supporting current efforts within OECD and GATT to improve the functioning of the multilateral trading system, and welcoming the launch of a new round of multilateral trade negotiations in the framework of GATT;

12. Stressing the need that these negotiations should not only cover such issues as direct foreign investment and services, but should also pay special attention to the specific needs of developing countries, notably the least developed ones,

13. Calls on OECD countries:

a. to take full advantage of the more favourable prevailing economic conditions to attain the highest possible level of expansion through structural and technological change, non-inflationary economic growth and the reduction of unemployment, especially among young people and women, and to seek agreement on the means of achieving these aims;

b. to set up training, and even social reintegration, programmes for particularly disadvantaged groups: young people, women, immigrants and older workers;

c. to bear in mind that in certain countries rapid technological change can trigger off an increase in unemployment;

d. to promote greater flexibility of the labour market, while guaranteeing the freedom of employers and workers to negotiate;

e. to stimulate productive investment, notably by a better functioning of the financial markets, by lowering interest rates and by fiscal incentives;

f. to reduce, where necessary, high public-sector deficits which impede a lowering of interest rates and, hence, productive investment;

g. to stimulate the development of small and medium-sized enterprises by simplifying administrative procedures and by disseminating necessary information, particularly in respect of exports ;

h. to revoke existing protectionist measures, and refrain from introducing new ones, which affect very negatively the interests of developing countries;

i. to promote the development of tourism towards the less-developed countries, on condition that the indirect consequences are not ultimately detrimental to the countries concerned;

j. to adopt constructive attitudes in international negotiations on the debt problems affecting developing countries, taking into account the proposals already formulated by the Parliamentary Assembly of the Council of Europe;

k. to encourage private aid and investment creative of employment, to increase official development aid to the target level of 0,7% of GNP in accordance with the United Nations resolution, and to strengthen the co-ordination of development aid policies in the framework of the relevant international organisations, in particular the World Bank and the Development Assistance Committee of OECD;

l. to give the public sector the resources which it needs to carry out its specific tasks;

m. to strengthen governmental policies, and their international co-ordination, to combat terrorism which jeopardises democracy and also has negative effects on the economy ;

14. Invites OECD:

a. to analyse the consequences of liberalisation of international trade in services on world trade, especially with regard to developing countries;

b. to improve the Codes of liberalisation of capital movements and of current invisible operations;

c. to analyse in certain countries the importance of the black economy and measures to be taken to eliminate it;

d. to carry out a comparative study of the effect of social security on production costs and its overall impact in the member countries of OECD both individually and collectively;

e. to open for signature as soon as possible the draft convention on mutual administrative assistance in tax matters, prepared jointly by the Council of Europe and OECD, to combat international tax evasion;

f. to intensify its work on agricultural trade with a view to identifying solutions to problems created by existing policies in domestic production and trade;

B. Environment

15. Welcoming the publication in June 1985, on the occasion of the meeting of the Environment Ministers of OECD member countries, of the second report on The state of the environment and of the Environmental data compendium for 1985, both of which texts deserve to be widely circulated among politicians;

16. Noting with satisfaction that the Environment Ministers of the OECD member countries have undertaken to achieve substantial reductions in the emission of atmospheric pollutants and to support the efforts made to market less polluting vehicles, in line with the concern which the Assembly has expressed on many occasions;

17. Underlining the need to take environmental considerations into account when defining and implementing economic policies in sectors such as industry, energy, transport or agriculture ;

18. Recalling the growing part which local and regional authorities are able to play in job creation and economic development,

19. Invites the governments of the OECD member countries to give immediate effect to the principles contained in the declaration "Environment: resource for the future" adopted in June 1985 by the OECD Environment Committee, meeting at ministerial level;

20. Invites OECD:

a. to continue its work on the protection of the environment, especially in respect of the effects of ionising radiation on health and the environment;

b. to pursue its co-operation with the Standing Conference of Local and Regional Authorities of Europe, especially in the fields of urban policy and local job creation schemes ;

c. to establish with urgency a system of collection and dissemination of all relevant information and a system of international inspection, in order to provide the most effective social and environmental protection, and in particular to ensure that any accident, however minor, which takes place at a nuclear power plant shall immediately be reported to the relevant international agency;

A. Agriculture

21. Recognising that agricultural over-production in the OECD area has now become permanent and structural, and that, unless corrective action is taken, it will in future only be possible to sell surpluses on the world market at even larger losses and with even greater friction among allies than at present;

22. Realising that the above places new requirements on agricultural policies in OECD member countries, such as a more rapid adaptation to changing market conditions and an agriculture pursued less intensively and oriented more towards quality production and ecological concerns,

23. Urges the governments of the member countries of OECD:

a. to do their utmost to achieve a balanced and gradual reduction in agricultural production, and stem the tide of protectionism in world food trade;

b. to observe, to this end, strict agricultural policies at home and close co-ordination internationally, while taking steps to alleviate the critical situation of many small farmers in particular, without encouraging them to engage in uneconomic production;

c. to pay special attention to the possibility of expanding forestry as a substitute for farming on marginal land and to ways of halting the deterioration in the quality and taste of many types of food;

d. to examine urgently the consequences for farming of continuing soil degradation and pollution, and also to study ways of reducing existing barriers to trade in the fisheries sector;

e. to act in close collaboration with farmers and their organisations in carrying out the above measures;

D. Energy policy

24. Recalling its intention expressed in Resolution 850 (1985) to take energy policy as a dominant theme of a forthcoming Assembly debate;

25. Having regard to the exchanges of views held by its Committee on Science and Technology in recent months with representatives of the International Energy Agency, the OECD Nuclear Energy Agency and the International Atomic Energy Agency (Vienna) on, respectively, fluctuations in the price of oil and the nature and effect and implications for the civil nuclear industry of the accident to the Chernobyl reactor;

26. Considering that security of energy supplies must continue to be a priority concern of all OECD governments, and in particular of those of Western Europe;

27. Aware of the great difficulties caused to developing countries by rapid fluctuations in the price of oil and other fuels;

28. Having regard to the need to keep open the widest possible range of options for the supply of energy, in particular of electricity, and to reliance strong policies for energy saving,

29. Resolves to hold a debate on the future of the civil nuclear energy industry, in the light of the hearing to be held on the health and environmental impacts of the Chernobyl accident (Order No. 429 (1986)) and of work in progress by its Committee on Science and Technology;

30. Calls on the governments of all member countries of OECD:

a. to renew their efforts both bilaterally and within the appropriate international frameworks to relieve the difficulties of developing countries caused by rapid changes in the price of oil, and to seek some long-term solutions to this problem;

b. to provide the resources necessary for the strengthening of the programmes of the International Energy Agency directed towards energy security, energy savings and the exploitation of new and renewable energy sources;

c. to strengthen, as necessary, in the light of the Chernobyl accident, the programmes of the OECD Nuclear Energy Agency directed towards:

1. reactor safety, radiological protection and public health, and with due regard also to the transport, treatment and storage of nuclear waste (see Assembly Resolution 847 (1985));

2. better arrangements for giving coherent and complete information to the public in member countries in the event of further accidents and incidents;

3. problems of civil liability and insurance;

31. Invites the OECD Nuclear Energy Agency to pursue and deepen its co-operation with the International Atomic Energy Agency (Vienna) in drawing all possible lessons from the Chernobyl reactor accident, in particular in regard to systems of prevention of severe accidents and of radiation protection in case of accidents with transboundary effects.