Resolution 884 (1987)[1]

Reply to the report of the activities of the Organisation for Economic Co-operation and Development (OECD) in 1986

Parliamentary Assembly

The Assembly,

1. Considering the report on the activities of OECD in 1986 (Doc. 5770), the report in reply by its Committee on Economic Affairs and Development (Doc. 5771) and the opinions of its Committee on Science and Technology (Doc. 5792), its Committee on the Environment, Regional Planning and Local Authorities (Doc. 5794), its Committee on Agriculture (Doc. 5772), its Committee on Culture and Education (Doc. 5793), and its Committee on Migration, Refugees and Demography (Doc. 5785) ;

Economic policies and co-operation in related fields

2. Stressing the essential nature of OECD's activities and the part the organisation must play in strengthening the convergence and complementarity of the economic policies of its member countries ;

3. Observing that, even though 1986 was the fifth year of consecutive growth in the OECD area, the favourable conditions at the end of the year - low inflation, the gradual slide back to normal of the dollar and the fall in oil prices - did not have the expected effects and that, in its OECD Economic Outlook of June 1987, OECD had to revise downwards its growth forecasts for its member countries ;

4. Deeply disturbed by the persistently unacceptable unemployment levels in many OECD member countries, which, together with the ageing of the population, are jeopardising the future funding of pension schemes and social security systems, and concerned, on the one hand, about the ineffectiveness of the economic policies pursued up to now for bringing down unemployment and convinced, on the other, of the need for new OECD proposals for dealing with this crucial problem, which is threatening the social fabric of its member countries ;

5. Considering, since policies for combating unemployment by economic and social means have been unsuccessful, that a new willingness is required to give job creation the momentum which is at present cruelly lacking ;

6. Considering furthermore, in this context, that policies for the encouragement of innovation and for the rapid diffusion of new technology, not only in the manufacturing and service industries but throughout the social fabric, must be strengthened and combined with policies for greater flexibility in education, training and retraining ;

7. Deploring the adoption and the danger of the application in a number of OECD member countries of protectionist measures, which constitute a serious threat to the maintenance of an open, international, economic system, including the effective functioning of GATT, which is essential for sustained world economic growth ;

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1. Assembly debate on 2 October 1987 (10th Sitting) (see Doc. 5770 (report of OECD), Doc. 5771, report of the Committee on Economic Affairs and Development, and the opinions of the Committee on Science and Technology (Doc. 5792), the Committee on the Environment, Regional Planning and Local Authorities (Doc. 5794), the Committee on Agriculture (Doc. 5772), the Committee on Culture and Education (Doc. 5793) and the Committee on Migration, Refugees and Demography (Doc. 5785)). Text adopted by the Assembly on 2 October 1987 (10th Sitting).

8. Having regard, in particular, to warnings given by the 25th anniversary symposium of OECD of - if current trends continue - increased distortions of competition from surplus global capacity in telecommunications, and of a third oil crisis in the 1990s ;

9. Strongly welcoming in that context the launching of the new round of multilateral trade negotiations (the Uruguay Round) and the opportunities that it provides to strengthen the GATT system,

10. Calls on OECD countries :

a. to improve the co-ordination of their economic, trade and monetary policies, and to give OECD a central role in the monitoring of the economies of the industrialised countries, as recommended at the Summit meeting of the industrialised countries in Venice in June l987 ;

b. to take greater account of OECD's recommendations when devising and implementing their economic policies, and to abide by their international undertakings concerning macro-economic policy and structural measures ; in particular it invites the United States to abide by its undertaking to reduce its budget deficit, and the Federal Republic of Germany and Japan to fulfil their undertakings to boost domestic demand ;

c. to use all the margin for manœuvre at their disposal to diversify their economies and revive growth, in particular by giving them public-sector and private-sector impetus ;

d. to take further steps to stabilise exchange rates and lower interest rates, so as to restore confidence in the private sector and encourage it to step up productive investment ;

e. to boost international trade by refraining from discriminatory measures, and by giving strong and consistent signals of their intent to move towards more liberal trading regimes and, in particular, of their commitment to a rapid and successful conclusion of the Uruguay Round ;

f. to speed up the structural reform of their agricultural sectors by progressively reducing public subsidies which both encourage excess production and distort trade on agricultural markets, by placing greater emphasis in their agricultural policies on direct income support, and by reducing pressure on agricultural markets as well as by reducing trade barriers through the Uruguay Round negotiations ;

g. to make their markets more open to exports from developing countries, to increase official development aid to 0,7% of the GNP in the case of countries where it is below that figure, and to encourage investment in developing countries ;

h. to take account of Assembly Resolution 864 (1986) on the debt situation of the developingcountries, and to take further steps to remedy the Third World debt problem, for example by reversing the trend towards a reduction in the flow of money, by writing off the debts of the least-developed countries, by encouraging, under conditions favourable to the developing countries, acceptance of schemes involving the discounting of debt, and by facilitating the repatriation of capital exported from Third World countries ;

i. to sign the Convention on Mutual Administrative Assistance in Tax Matters prepared jointly by the Council of Europe and OECD, and ensure that it is ratified as soon as possible ;

j. to see to it that the guidelines for multinational enterprises, as updated at their latest triennial examination, are scrupulously implemented, and to work for a successful and rapid conclusion of negotiations in the framework of the United Nations on the Code of Conduct for Transnational Corporations ;

k. in the elaboration of their economic policies, to take account of the permanent nature of manpower migration, resulting, among other things, from population deficits in the industrialised regions of Europe ;

11. Invites OECD :

a. to step up its efforts and to formulate new proposals designed to combat unemployment effectively ;

b. to analyse the medium- and long-term population trends in its member countries with a view to submitting recommendations allowing them, in particular, to attain a balanced demographic situation as well as to safeguard adequate social protection for workers notwithstanding the ageing of the population in the OECD area ;

c. to make an active contribution to the European Public Campaign on North-South Interdependence and Solidarity to be conducted in spring l988 under the aegis of the Council of Europe in close co-operation with the European Community ;

Research, technology and energy

d. to continue to give priority to the development of internationally comparable indicators of the scientific and technological efforts and capabilities of its member countries, with special attention to the ‘‘internationalisation of research" and the implications thereof for national policies ;

e. to prepare, in co-operation with the Council of Europe, to extend its work on safety and regulation in biotechnology to the possible framing of a draft convention on biomedicine and human biotechnology ;

f. to provide for continued co-operation with the Council of Europe in developing policies for university research, in the light of the analysis contained in Assembly Recommendation 1063 (1987) on European scientific and technological co-operation : towards a new institutional framework ;

g. to pursue its work on the development of ‘‘open systems interconnexion standards" and on competition and complementarity between fibre optic and satellite technology in the field of telecommunications, with special reference to objectives set for the RACE (Research in Advanced Communications for Europe) project of the European Communities ;

h. to facilitate the setting up of an information centre on the application of energy efficiency techniques, as recommended by the Ministerial Council of the International Energy Agency (Paris, May 1987) ;

Agriculture

12. Realising that agriculture is increasingly becoming the central problem area in OECD trade, plagued by massive over-production in several commodities, enormous stocks, dumping on international markets and with tension spreading into other, non-agricultural sectors ;

13. Aware that a major portion of government expenditure on agriculture does not in fact benefit farmers, but is spent instead on storing food which, apart from depressing world prices, is largely unfit for consumption ;

14. Fearful that, with demand expected to remain stable in the OECD area due to stagnant or even declining populations, ‘‘automatic" increases in productivity through scientific progress will widen the gap between supply and demand even further ;

15. Concerned over the long-term effects that large-scale dumping may have on agriculture in developing countries, by driving peasants out of business, by accelerating the exodus from rural areas to cities and by rendering these countries increasingly dependent on imported rather than domestically produced food ;

16. Conscious, on the other hand, that global agriculture faces a major task in the longer term, as the world's population is expected to increase from the present 5 000 million to 8 000 million in the next thirty years, while taking into account the uncertainty of such estimates ;

17. Recalling the progress made at the GATT Conference in Punta del Este in October 1986 and at the OECD Council in May 1987 towards avoiding further chaos in agricultural trade, notably by avoiding any further measures violating GATT rules and by dismantling existing violations by the time the forthcoming Uruguay Round has been concluded,

18. Urges the governments of the member states of OECD :

a. to act jointly and with urgency to rectify the previously mentioned major imbalances in the international food arena, failing which the world may well return to the bilateralist, strait-jacketed type of trade system so characteristic of the inter-war era ;

b. to ensure, above all, that domestic agricultural policies - however they are shaped to satisfy each country's particular concerns - are not allowed to upset international markets through excessive subsidised exports ;

c. to support OECD's efforts to achieve the greatest possible transparency as regards producer and consumer subsidies, thus allowing fair comparisons among blocs and countries and, in general, to endorse OECD's ministerial decision that ‘‘a concerted reform of agricultural policies will be implemented in a balanced manner" ;

d. to clarify GATT rules governing food trade, especially as regards export subsidies, to make the GATT procedure for settling disputes less cumbersome, possibly by allowing for binding arbitration, and to pursue vigorously improved markets and reduced trade barriers through the Uruguay Round negotiations ;

e. to move gradually from excessive reliance on price support towards a combination of price and income support, and towards greater integration between agricultural policies on the one hand, and regional, social and environmental policies on the other ;

f. on the one hand, to maintain the family farm as the basis for OECD agriculture and for the development of rural regions and, on the other, to further self-sufficiency in food production in developing countries ;

g. to take into account, in shaping their policies,the challenges presented in the longer term by the expected growth in world population and by environmental deterioration in large parts of the world—factors highlighted in the course of the Assembly's Conference ‘‘European Agriculture 2000", held in Switzerland in 1986 ;

Environment

19. Welcomes the inclusion of ecological considerations in the definition of a new agricultural policy, and is delighted that OECD shares its concern about the extremely serious problem of the soil in Europe and throughout the world ;

20. Invites OECD to join in the efforts which will be made at various levels within the Council of Europe to define a new policy on the soil and, above all, to combat more effectively the factors leading to its progressive deterioration, notably an immoderate use of fertilisers, weed killers and pesticides ;

21. Would hope that OECD's surveys on the ecological repercussions of chemicals will deal with their effects on both the soil and groundwater, and will thus make it possible to evaluate more accurately the effects of chemical products and waste on the soil, surface water and groundwater ;

22. Hopes that OECD will continue to give its active support to the European Campaign for the Countryside, launched by the Council of Europe in June 1987 ;

23. Would hope that, over and above the recommendations already adopted by the Council on the environmental assessment of development assistance projects and programmes, the various services of OECD will endeavour to apply these same principles whenever strategies for development assistance are worked out ;

24. Would also hope that, in addition to its surveys and inventories, OECD will show a more active commitment to the effective and substantial reduction of atmospheric pollutants from stationary installations and motor vehicles ;

25. Fully supports OECD's efforts to draft an international agreement on the transfrontier movements of hazardous waste, and trusts that this work will be successfully completed in the near future ;

Culture and education

26. Welcoming the continuing contribution made by OECD to European co-operation in the field of culture and education ;

27. Recalling its Resolution 807 (1983) on European co-operation in the field of education, and its belief in the importance of the overview role of the Standing Conference of European Ministers of Education ;

28. Drawing attention to its Recommendation 1061 (1987) on collaboration between OECD and the Council of Europe in the field of culture and education ;

29. Stressing the importance of close co-ordination (and the need for the means to ensure such co-ordination) between OECD and the Council of Europe in this field of common activity ;

30. Having noted the conclusions of the Standing Conference of European Ministers of Education (Helsinki, May 1987), of which the main theme was ‘‘New challenges to teachers and their education", and the Conference of European Ministers responsible for Cultural Affairs (Sintra, September 1987) on the main theme of ‘‘The economics and the funding of culture" ;

31. Recalling in the latter context its own Recommendations 1018 (1985) on private sponsorship of the arts, and 1059 (1987) on the economics of culture ;

32. Noting with interest that OECD is to hold an Intergovernmental Conference on Education and the Economy in Paris from 16 to 18 March 1988,

33. Invites OECD :

a. to reformulate its approach to economics, in order better to take into account the economic importance of the cultural sector as part of the overall societal relevance of education ;

b. to consider ways of further reinforcing the co-ordination of its activities with those of the Council of Europe, and with particular reference to :

1. teacher policies,
2. university financing,
3. education and the media,
4. economics of culture ;

c. to collaborate with the Assembly Committee on Culture and Education and the Standing Conference on University Problems in a joint exercise on university financing.