



Resolution 952 (1990)¹

Reply to the report on the activities of the Organisation for Economic Co-operation and Development (OECD) in 1989

Parliamentary Assembly

1. The Assembly has received the report on the activities of OECD in 1989 ([Doc. 6252](#)) and a reply thereto has been presented by its Committee on Economic Affairs and Development ([Doc. 6276](#)). Furthermore, opinions have been presented by its Committee on Science and Technology ([Doc. 6299](#)) ; its Committee on the Environment, Regional Planning and Local Authorities ([Doc. 6280](#)), its Committee on Migration, Refugees and Demography ([Doc. 6293](#)) and its Committee on Agriculture ([Doc. 6268](#)). The debate was held with the participation of parliamentary delegations from Australia, Canada, Japan and New Zealand. A delegation from the European Parliament participated in an observer capacity.

2. The Assembly welcomes the profound changes that have taken place in Central and Eastern Europe and expresses its full support in favour of the current efforts towards democracy and a market economy.

3. The Assembly recognises the crucial importance of a successful conclusion to the Uruguay Round of GATT negotiations.

A. Economic policies and co-operation in related fields

4. The overall economic development in the OECD area is dynamic, with an average growth rate of 3,6% in 1989, and an expected 2,9% in 1990 and 1991. In addition, timely and pragmatic monetary policies and structural reforms have helped to reduce further the external current account imbalances of several major OECD economies.

5. Events more recently in the Middle East have worsened the outlook on both the political and economic fronts, and a period of uncertainty and instability may be in prospect.

6. Unemployment, which in 1989 reached an overall 6,4% of the active workforce in the OECD area, remains alarmingly high in several OECD countries. It deprives millions of citizens of an accomplished life and social fulfilment, frustrating the efforts towards what must be the duty of a democratic society and a social market economy, namely to ensure the highest possible employment and active participation in the life of society.

7. Furthermore, inflation, which in 1989 reached 4,3% in the OECD area as a whole, is showing an overall upward tendency in 1990, endangering long-term sustained economic growth.

8. The above situation - as well as the plight of developing countries and the many serious environmental problems facing OECD countries and the world as a whole - indicates that market forces must be supplemented by joint, OECD-wide policies capable of ensuring a sustainable, job-creating, socially just and environmentally sound development.

1. Assembly debate on 3 October 1990 (17th Sitting) (see [Doc. 6276](#), report of the Committee on Economic Affairs and Development, Rapporteur : Mr Holtz ; [Doc. 6299](#), opinion of the Committee on Science and Technology, Rapporteur : Mr Alptemoçin ; [Doc. 6280](#), opinion of the Committee on the Environment, Regional Planning and Local Authorities, Rapporteur : Mr Fulvio Caccia ; [Doc. 6293](#)[Doc. 6293](#), opinion of the Committee on Migration, Refugees and Demography, Rapporteur : Mr Grussenmeyer ; and [Doc. 6268 Rev.](#), opinion of the Committee on Agriculture, Rapporteur : Dame Peggy Fenner). Text adopted by the Assembly on 3 October 1990 (17th Sitting).



9. One essential basis for such development is structural reform aimed at preparing society and the economy in time for new developments. This would avoid bottle-necks to growth, create new job opportunities and contribute to combating inflation.

10. Alongside structural reform, it is important to strive for what OECD calls an "active society", by which is meant enrolling as many as possible of its members - including the aged, the long-term unemployed and the handicapped - in useful social or professional activities.

11. Growth in the OECD area contrasts sharply both with the economic stagnation or even recession of a large number of developing countries, which face crippling foreign debt and remaining high market barriers in the industrialised world, especially for agricultural and manufactured products ; and with the enormous needs of the nations in Central and Eastern Europe which are embarking on reform.

12. These discrepancies in economic performance also highlight the relationship between democratic, socially fair and accountable political systems on the one hand, and economic development on the other, and present OECD countries with a historically unprecedented challenge to provide as large and timely support to the reformist countries in Central and Eastern Europe as to the developing countries in the South.

13. The Assembly is aware that OECD is not a homogeneous area and that discrepancies in economic and technological development still persist amongst its member states. The challenge to provide a large and urgent support to both the developing countries in the South and the emerging democracies in Central and Eastern Europe should not divert OECD from working to bridge the inequalities within its own area and to attach particular attention to the solution of the serious structural economic problems of some of its South European members.

14. Environmental renewal, brought about by strict legislation, is a rapidly growing market of the future capable of providing additional employment. Only environmentally sound products will in the long run remain internationally competitive.

15. The Assembly calls on OECD member countries :

1. to attach particular priority to fighting unemployment, by taking active measures such as training, placement and rehabilitation programmes for the unemployed, the inactive and those on welfare ;
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3. to pass on oil price changes quickly and fully to consumers and business and to take appropriate action on the monetary policy front to prevent oil price rises from becoming permanently embedded in inflation ;
4. to persist in their struggle against inflation, lest the current "creeping" inflation in many countries increase further ;
5. to pursue their efforts to reduce the current account imbalances of several major OECD member countries and to do their utmost to permit the Uruguay Round, to be concluded in December 1990, to herald an era of freer trade instead of renewed protectionism ;
6. to seek greater harmonisation in the framework of OECD with regard to future GATT rounds ;
7. to reduce, where necessary, budget deficits, thus alleviating the burden on monetary policy and contributing to the achievement of a better balance between domestic savings and investment ;
8. to use productivity gains obtained through the introduction of new, socially and environmentally sound technologies to achieve a reduction of working hours, an increase in job opportunities and a higher quality of life ;
9. to form a better qualified labour force through improved school education and expanded professional training programmes involving governments, companies and trade unions ;
10. to improve the working environment by preventing unhealthy working conditions, by allowing people to participate more actively in the life of the enterprise they work for, and to have a greater say in decisions, in particular when new technologies are being introduced ;
11. to facilitate the entry or re-entry of women into the labour force, in particular through retraining programmes and an expansion of day-care facilities and kindergartens, as well as through legally protected equality between women and men ;

12. to offer young people special assistance which will help them "bridge" the transition from education to vocational training, and from the latter to regular employment ;
13. to introduce special programmes for the long-term unemployed, aiming, for instance, at encouraging local employment initiatives and, generally, at creating new job opportunities.
14. to strengthen the co-ordination of their policies and actions with the European Community, an example of which is the excellent collaboration of OECD member countries with the European Community in the framework of the PHARE programme ;
16. The Assembly also calls on OECD member countries, in their relations with developing countries :
 1. to cancel, entirely or partially, the official development assistance loans of the poorer developing countries ;
 2. to reschedule or consolidate the remaining foreign debt of the Third World, for instance through longer repayment periods, upper limits on interest rates, a limitation of debt servicing to a certain percentage of incomes from exports, or "debt-against-nature" swaps ;
 3. to encourage private banks to contribute more actively to finding lasting solutions to the debt problem ;
 4. to work in favour of a permanent, indeed intensified, net transfer of capital from industrialised to developing countries ;
 5. to improve the fundamental economic and trade situation of developing countries, in particular through freer access to the markets of industrialised countries and through the avoidance of any measure reducing competition or distorting trade ;
 6. to convene an international debt conference involving debtor and creditor nations, creditor banks, the International Monetary Fund, banks responsible for development assistance as well as the Economic Committee of the United Nations ;
 7. to work in favour of the implementation of the OECD Development Assistance Committee (DAC) policy guidelines "Development Co-operation in the 1990s", which concludes, inter alia, that underdevelopment can only be vanquished through strategies which promote sustainable economic growth, enable broader participation and an equitable sharing of resources ;
 8. to equip the World Bank and the International Monetary Fund with parliamentary observer institutions which can monitor their activities and ensure that their policies : 1. promote sustainable, socially just and environmentally sound development in the Third World, with particular emphasis on human rights, democracy and reduced defence spending, and 2. involve recipient countries, and in particular the populations concerned, at all stages in the planning and implementation of projects, thus ensuring their essential "human dimension" ;
 9. to commit themselves to reaching, by the mid-1990s, where this has not yet been achieved, the goal of official development assistance amounting to 0,7% of GNP, and to use for this purpose the resources freed as a result of reduced East-West tension and diminished military outlays ;

The Assembly furthermore refers to the Budapest Declaration unanimously adopted at the Assembly's Conference "Economic reform in Central and Eastern Europe : a challenge for all Europe", held in Budapest in May 1990, and, while awaiting the Assembly's final conclusions of this conference, calls on OECD member countries :

1. to provide emergency assistance to the reformist countries of Central and Eastern Europe if needed, and to help them master their debt problem through moratoria, or the reduction of debts or interest rates ;
2. to co-ordinate their assistance in the development or renewal of the infrastructure of the countries concerned ;
3. to co-ordinate their action to halt and reverse environmental destruction in Central and Eastern Europe, for instance through a European environment agency and through a modernisation of their industrial equipment ;
4. to provide sufficient credits for investments in industry and commerce, and to support the newly created European Bank for Reconstruction and Development in its work ;
5. to promote joint ventures to speed up the transfer of technological and organisational know-how, and to open their markets more fully to exports from the countries concerned ;

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6. to support management and professional education through scholarships and exchange programmes, as well as through assistance in setting up educational and vocational training institutions ;
 7. to relax export restrictions on advanced technology in favour of those Central and Eastern European countries which have chosen the path of parliamentary democracy and a market economy ;
 8. to ensure that assistance to Central and Eastern Europe, whether through financial flows, investment, increased market access or otherwise, will not be at the expense of third countries, particularly the developing countries ;
18. The Assembly calls on OECD member countries to pursue the following policies in the energy and environmental field :
1. to integrate environmental and economic decision-making through the use of market-based economic instruments and on the basis of the OECD's work on environmental indicators, while recognising that members of parliaments have a particular responsibility for appropriate legislation and its implementation and should meet regularly in this forum to review progress ;
 2. to encourage the development and sale of products and processes which save energy and other resources, and which avoid waste ;
 3. to reorient their energy policies away from hazardous energy sources and to pursue policies designed to maximise energy efficiency and conservation and continue research aimed at developing regenerative sources of energy such as solar, wind and geothermal energy ;
 4. to make every effort to provide the public with full, clear information on advanced technologies - in particular nuclear technology - and their environmental and economic implications ;
 5. to discourage potential polluters through the introduction of legislation which efficiently establishes responsibility, including market accountability, and special fees for damage caused ;
 6. to establish ecological "minimum standards" setting limits for the pollution of the soil, water and air ;
 7. to include in their constitutions the duty of society to ensure a clean environment, and to incorporate environment policy into all other policy areas ;

Relative to OECD

19. The Assembly

1. Recognises the importance of OECD's Technology/Economy Programme (TEP) and its work relating to "the active society", but considers that the relevance of these activities to practical policies could be more clearly identified ;
2. Believes that there should be an annual review of the implementation of the key orientations given in the policy statement "Development co-operation in the 1990s", adopted by the members of the Development Assistance Committee (DAC) joined by the World Bank, the International Monetary Fund and the United Nations Development Programme (4-5 December 1989) ;
3. Encourages OECD to continue and intensify the dialogue already established with the dynamic Asian economies, and to consider extending it to other non-member countries, where appropriate ;
4. Welcomes the efforts of OECD to assist the reformist countries of Central and Eastern Europe - and in particular the creation of a centre for co-operation with European economies in transition, which is to focus on policy advice, technical assistance and training ;
5. Encourages OECD to study in greater depth the relationships between environment and trade policies, and between climatic change and agriculture ;
6. Urges OECD to make available to Central and Eastern Europe its expertise in environment protection - including nuclear safety - and encourage and assist Central and Eastern Europe to lose no time in reconciling economic reform with environmental requirements ;
7. Asks OECD to study the economic and social implications of disarmament, in particular the problems, possibilities and consequences related to the conversion of armaments industries towards civilian production ;
8. Suggests that OECD examine the possibilities of its member countries' helping the countries most seriously affected by the Gulf crisis ;

9. Welcomes the creation within OECD of an international futures programme designed to help member countries identify long-term trends, new problem areas and dangers in time, and hopes that this activity will shortly become a permanent part of OECD's work programme;
10. Encourages OECD to continue and step up its co-operation with the European Conference of Ministers of Transport with the aim of working out environment-friendly policies ;
11. Welcomes the report on noise abatement policy in the 1990s, which answers the Parliamentary Assembly's 1988 call for action to reduce noise pollution in towns ;
12. Notes with approval OECD's work in rural development and tourism and hopes to see it develop further in co-operation with the organs of the Council of Europe.

B. Agriculture

20. The Assembly is concerned that the new democracies in Central and Eastern Europe should be given all possible help and assistance in restructuring their food, agricultural and agro-industrial sector (including fisheries and forestry). It also believes that increased international trade in agricultural commodities will be an important factor in helping agricultural and economic development in the South and in the North on condition that fair trade rules are established, in particular with regard to the need of the developing countries to become more self-reliant in the food sector. It also stresses the crucial importance of a successful December 1990 outcome to the Uruguay Round.

21. Consequently, the Assembly calls on the governments of the member countries of OECD, as well as, whenever relevant, on the organisation itself :

1. to continue and intensify work on decision support and simulation models for the monitoring of agricultural policy reforms and for the analysis of structural adjustment policies, for the measurement of agricultural assistance and for the assessment of agricultural trade and markets ;
2. to implement the rural development programme which will examine in a balanced way the inter-relationships between all the various factors affecting the continued viability of rural areas, including agricultural reform, the quality and sanitary standards of products, a pure environment without soil, water or air degradation, the social value of a living and prosperous countryside, and the necessity to maintain food security at a satisfactory level ;
3. to promote greater awareness amongst consumers of their interests in the development of agricultural policy, including quality, price, presentation and labelling of foodstuffs ;
4. to make a special effort to assist the new democracies in Central and Eastern Europe in their work on policy and management reforms in the food, agriculture and agro-industrial sector (including forestry and fisheries) so as to reinforce their wider efforts towards development of a market economy ;
5. to implement - possibly in co-operation with the European Community and the Council of Europe - a human resources development programme to foster entrepreneurship and to enhance the knowledge and skills of farms, farm workers and farming advisory services in Central and East European countries.

C. Culture and education

22. The Assembly welcomes the work undertaken by OECD on educational evaluation and reform strategies and in particular its project on international educational indicators (INES), and hopes that it will be possible for OECD to co-operate with the Council of Europe and other relevant bodies to collect existing data on educational assessment and to present it in a form which is genuinely comparable and useful to policy-makers in member states.

D. Migration, refugees and demography

23. The work carried out by OECD on migration and demography provides governments with valuable information for defining their policies in these fields.

24. The 17th report of the Continuous Reporting System on Migration (SOPEMI) gives an accurate synthesis of the general trends of international migration in OECD countries in 1989.

25. The population movements from East to West European countries will have an impact on OECD countries' immigration policies.

26. The Assembly therefore invites OECD :

1. to examine further the effects of the migration flow coming from Eastern Europe towards Western Europe on :
 - the economy of the host country and particularly on the unemployment situation among foreigners ;*
 - the social integration of migrants into the host society ;*
 - the social security systems in the host countries ;*
2. to associate East and Central European countries with its work on migration and demography ;
3. to consider possible ways to transmit the experience acquired by the industrialised countries in dealing with migration problems to the new immigration countries ;
4. to continue the co-operation and exchange of information with the Council of Europe on migration and demography.